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Section Two, cover story

THE INDEPENDENT

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TUESDAY 10 SEPTEMBER 1996

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No strike Britain

Parties vie for the toughest union law

BARRIE CLEMENT and COLIN BROWN

The unions yesterday moved centre-stage in the election battle, as the Government and the Labour Party competed with each other to strike the toughest "no strike Britain" stance.

The Government yesterday revealed proposals to extend the "cooling off" period before strikes in "public and monopoly services" and Labour indicated that they may force unions to go to arbitration before launching strikes.

As ministers considered lengthening the statutory notice before stoppages from seven days to a fortnight or even a month, rail union leaders predicted that disruption in the rail network would spread and union leaders at the Royal Mail meet today to decide whether to call more 24-hour stoppages.

John Major, the Prime Minister, said during a tour of the West Country: "We are looking at a number of options to deal essentially with strikes in the public service where it is a monopoly. The reason for that is

self evident... the public pay the taxes by which people in the public service are paid. A strike against the public that pays their taxes seems to me to be out of date.

"... We are looking at a range of options and when we have concluded that exercise we will publish what we plan to do," the Prime Minister said.

Downing Street appeared to rule out action before a general election, but a pledge to legislate was last night emerging as one of the Tories' key general election manifesto commitments in an attempt to put Tony Blair and the Labour Party on the defensive over Labour's traditional links with the unions.

Ahead of a visit today to the TUC's annual congress in Blackpool by Mr Blair, the Labour Party confirmed its intention to place tighter restrictions on public sector strikes.

David Blunkett, Labour's spokesman on education and employment, who will be addressing a fringe meeting on employment rights today in Blackpool, is expected to announce a "requirement" that unions in the public services

should go to arbitration "in certain circumstances".

Yesterday at the conference Peter Hain, a Labour employment spokesman, said the party would put arbitration at the "centre-stage" of its industrial relations strategy. The proposals - which included a stronger role for the conciliation service Acas - would be put out for consultation among both unions and management.

It is understood that Mr Blunkett will also suggest that unions should make a practice of putting fresh offers from employers out to ballot during disputes. Mr Blair has urged the CWU to hold a vote among postal workers on Royal Mail proposals.

In a coded warning to Labour, Bill Morris, the leader of the Transport and General Workers' Union, told TUC delegates that politicians should not engage in a "game of political leap-frogging about who can bash the workers most".

Attacking government proposals for a longer cooling off period, John Monks, TUC general secretary, said it could lead to increased frustration and reduce the chances of a settlement.

Jimmy Knapp, general secretary of the RMT transport union, said that longer notice periods before strikes would "sharpen the arguments, raise the temperature and prolong disputes". The policy had been tried by the Heath government in the 1970s and failed.

Mr Knapp said there had been no negotiations in an attempt to avert a 24-hour stoppage by guards and on-train catering staff over productivity payments tomorrow at seven rail companies and he expected the strikes to go ahead. The companies concerned are North London, Mersey Rail, East London, Cross Country, North East, South Wales and West.

He predicted that strike ballots at a further 10 train operators on the same issue would produce resounding "Yes" votes on Thursday. All 17 companies are expected to be hit by a walk-out on 23 September.

In the Royal Mail dispute union activists met in London before today's critical session of the executive of Communications Workers' Union which will decide whether to accept a management offer. Some of the union's divisional representatives called for an escalation of the campaign of 24-hour strikes, while others argued that a peace formula should be put out to the membership with a recommendation to reject.

Monks' rights call, page 2
Letters, page 11

Mao, embalmed as the Father Tyrant



The Father of modern China, or one of history's most dogmatic and murderous tyrants?

It may be possible to hold both views simultaneously of Mao Zedong, who died twenty years ago yesterday. Millions of Chinese - even

those whose families suffered under his rule - still refer to him respectfully as "Chairman".

Others recall their sense of utter desolation when he died, akin to that felt by many Soviet citizens at the news of Stalin's death in 1953.

When Mao died, it opened the way for the current paramount leader, Deng Xiaoping, to re-emerge and set loose the forces of economic reform which have reversed many of the values which Mao held dear. They have transformed China into an eco-

nomie powerhouse. Yet yesterday, thousands of Chinese queued for hours under a hot sun to see his embalmed body in its crystal coffin at a mausoleum on Tiananmen Square. Short on virtue, page 9
Photograph: Tom Pillion

No change Tories

Anthony Bevin on new ways of conjuring up old bogeymen

The election campaign now being fought by the Conservative high command is a virtual rerun of the formula used so successfully in 1992.

Tax and spend, trade union links; all the hoary old battle-cries are being turned on again, with the underlying theme that people should not risk Labour ruining what has been achieved with such painstaking care over the last 17 years.

Because so many voters will not remember the 1978-79 "Winter of Discontent", when public sector strikes caused significant disruption, the Conservatives are now raising new fears for the same trade union bogeymen.

The move also, curiously, raises the profile of Ian Lang, President of the Board of Trade, who has quietly taken over responsibility for industrial relations from the old Department of Employment, now fused into Gillian Shephard's Department for Education and Employment.

Mr Lang, who has taken parallel responsibility for attacks on the minimum wage, is regarded as the man who has

the Prime Minister's blessing for a leadership succession. A middle-ground candidate, tarred neither with Thatcherite or "wet" Left labels, he is being provided with heaven-sent opportunities to bash Labour.

The fact that Mr Lang does not have a significant initiative to announce, short of extending the cooling-off period for public sector strikes from seven days to a fortnight, or even a month, is immaterial.

The very discussion of the issue, by Mr Lang on the radio yesterday and by the Prime Minister during his regional tour, puts Labour on the spot.

With the disastrous damage-limitation that Labour has learned since 1992, party spokesman David Blunkett is expected to respond by plumping for a requirement that public service unions should "in certain circumstances" go to arbitration.

As some union leaders were quick to point out yesterday, arbitration suggests that a Labour government would be bound by the ruling - and the potential additional costs of a settlement. That, again, gives the Tories another stick with

Rifkind to reveal \$7bn Nazi gold theft

DANIEL JEFFREYS
New York
LOUISE JURY

The Government will today release a report that reveals for the first time the full extent of British involvement in a covert distribution of Nazi gold after the Second World War.

Its findings will increase pressure to compensate Holocaust victims and their descendants for what has been described as "the greatest robbery of the 20th century". The report could cause embarrassment for Britain and may focus attention on whether the Bank of England holds any stolen gold.

As a result of pressure from Grenville Janner MP chairman of the Holocaust Educational Trust and Vice-President of the World Jewish Congress (WJC), the Foreign Office has been searching its archives. It initially denied any knowledge of British involvement in any deal to split

the Nazi gold proceeds, but following evidence released in America has been reviewing what it has on file.

Malcolm Rifkind, the Foreign Secretary, has now written to Mr Janner and sent documents which the Foreign Office will make public today in the form of a 23-page memorandum entitled "Information from British Archives on Nazi Gold".

The Independent has learned that Mr Rifkind's report says that the amount of looted gold in Nazi accounts at the end of the war was at least \$550m in 1945 money. That sum would be worth \$7bn today and only a small portion has been recovered. Previously the Swiss authorities, backed by the UK and US, have said the total amounted to no more than \$280m.

The disparity suggests Swiss banks and former Nazis were let off the hook by Allied officials. The report confirms that the Allies knew the Swiss had at least

\$500m in looted gold. It says that the US wanted to use stiff sanctions against Switzerland to force Swiss banks to produce a more realistic figure but the British vetoed the idea allowing the Swiss to shield almost \$300m worth of assets.

In New York the American headquarters of the WJC would not comment on the report until they had seen a copy.

The review follows revelations in Britain six weeks ago when the Holocaust Educational Trust, working with the WJC, gave the first taste of what had been discovered in United States national archives.

Those papers showed British intelligence was concerned about the Nazis using Swiss banks as early as October 1941. They revealed a post-war deal between Switzerland and the Allies to split the proceeds of the Nazi accounts, although it is unclear whether Switzerland handed the money over.

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QUICKLY

Ulster talks halted
A demand by Rev Ian Paisley for the expulsion of fringe loyalist parties brought the Northern Ireland political talks to a halt within hours of their re-commencement. Page 2

Smacking ban closer
A ban on parents' use of corporal punishment on children moved closer after a 12-year-old-boy was given permission to launch a challenge in the European court. Page 3

Graham tipped
George Graham, the former Arsenal manager, is expected to take over at Leeds United, following Howard Wilkinson's dismissal. Sport, page 22

Close tax havens, says MI5 lawyer

CHRIS BLACKHURST
Westminster Correspondent

The Government is helping organised crime by refusing to attack bank secrecy in offshore tax havens islands, MI5's former top law official said yesterday.

Addressing an international fraud conference in Cambridge, David Bickford, until earlier this year the legal adviser to the security services, MI5 and MI6, launched a stinging attack on the Government's traditional willingness to turn a blind eye to the way in which serious crime was using offshore tax havens - like the Channel Islands, Isle of Man, Gibraltar and

the Caribbean dependencies - to launder cash.

Mr Bickford's unprecedented attack - the first time a former law officer from the security services has gone on the record in this way - will come as a serious embarrassment to the Government.

Recently, President Clinton issued a warning of possible sanctions against unco-operative tax havens in an effort to stamp out drug-trafficking, which he saw as a serious threat to US national security.

Mr Bickford, now a consultant, said that removing financial secrecy in the territories it controlled seemed little

enough for the UK to do, considering the sacrifices being demanded of other governments in the fight against organised crime.

There was no reason for offshore banking secrecy to continue, he added. "Legitimate arrangements can be declared to the taxing authorities. The only reason for not doing so is that the scheme is designed to avoid detection."

Mr Bickford went on: "Putting this conclusion into the balance against the endemic corruption caused by offshore secrecy, it is difficult to see why it is tolerated by any other than those with an unlawful disposi-

tion." This, he argued, begged the question of why governments, particularly in Britain, failed to take action in respect of its dependent territories.

The only reason he could suggest was that operating as a tax haven was seen as being of such vital economic benefit for those islands, that it was felt in government circles that to close them down might lead to the British taxpayer having to bail out their inhabitants.

"That this justification is put forward at all," said Mr Bickford, "is an example of the overwhelming subversive corruptive influence of organised crime."

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هكزا مونا المجلد

Paisley demand halts peace talks

DAVID MCKITTRICK
Ireland correspondent

A demand from the Rev Ian Paisley for the expulsion of the fringe loyalist parties yesterday brought the Northern Ireland political talks to a halt within hours of their commencement.

Mr Paisley, as leader of the Democratic Unionist party, handed in a three-page "indictment" of the smaller loyalist groupings, complaining that they had failed to condemn the paramilitary death threat

against Portadown militant loyalist Billy Wright.

Representatives of the British and Irish governments, together with local parties - except Sinn Féin - gathered at Stormont yesterday following a month-long summer break. They will go back this morning to discuss the expulsion call.

The loyalist parties are closely associated with the Ulster Volunteer Force and Ulster Defence Association, the illegal paramilitary groups which recently issued death threats against Mr Wright and another

loyalist activist. Mr Paisley has argued that the threat breaches the principles of non-violence formulated by the former US Senator George Mitchell, who is chairing the talks.

Mr Paisley said he would take a High Court action if the loyalists were not ordered out. He said: "How can I debate with these men at the table at the present time? We just can't do it. These parties cannot be associated with such threatened violence for political ends with impunity."

"Failure to distance themselves totally from the murder threat must signal the immediate expulsion of the fringe parties from Stormont. If these parties get away with this threat then the door is wide open for the entry of Sinn Féin-IRA."

In response David Ervine of the Progressive Unionists, the larger of the two fringe parties, said that while the party would not condemn the death threat it was nonetheless committed to the Mitchell principles.

He added: "We have a commitment to the talks, the Mitchell principles and peace

within our society. The issue in relation to the threat has absolutely nothing to do with politics. It's a military issue and we have no control over the threat that was made."

The talks, which have yet to deal with difficult issues such as arms de-commissioning and constitution-building, have been re-convened at a time of much pessimism.

This was reflected in an *Irish Times* poll which reported that only 32 per cent of people thought the talks would succeed, while 63 per cent believed that

they would not reach agreement.

The fate of the fringe parties may hinge to some extent on the attitude of David Trimble's Ulster Unionist party, some of whose members appear to favour the expulsion of the loyalists.

The issue is particularly difficult and sensitive. Allowing them to remain, without formally condemning the Wright death threat, would arguably undermine the principle that anyone at the table should not be associated with violence.

Emmy triumph for British television

DAVID LISTER
Arts News Editor

Britain had a triumphant evening at the annual Emmy awards in America, with Helen Mirren and Alan Rickman winning best actress and actor awards, and British TV series taking prizes.

Helen Mirren was named best actress in a mini-series or TV special for her performance in *Prime Suspect III: Scandal of Darkness*. Alan Rickman took the male award for *Rasputin*. Both declared they were "chuffed", with Miss Mirren explaining to the at the ceremony in Pasadena that chuffed translated as "very pleased".

The night brought five award statuettes each to two Channel 4 productions, *Gulliver's Travels* and *The X-Files*. *Gulliver's Travels* was voted best mini-series, and *The X-Files* victory included an Emmy for Peter Boyle for best dramatic guest actor, and an award for best writing.

Dennis Franz of *NYPD Blue* was named best dramatic actor in a series; and the medical drama *E.R.* won the best drama series title for the second time.



Big on the small screen: Alan Rickman, left, Gillian Anderson and David Duchovny of *The X-Files*, centre, and Helen Mirren

TUC chief tells unions to seek solutions

JOJO MOYES

John Monks yesterday challenged Britain's trade unions to become "part of the solution, not part of the problem".

In an address entitled "New Unionism", delivered on the opening day of the Trades Union Congress conference at the Winter Gardens, Blackpool, the TUC general secretary told the unions that they should focus on problem solving rather than political posturing.

"If we want to be seen as part-

ners... we must grow out of opposition. We must grow out of the narrow, negative, frustrated frame of mind we've developed through 17 years of relentless hostility," Mr Monks said.

Trade unionism, he warned, was at a crossroads. "Unless public policy changes, and above all, unless we change, we shall take the road marked 'retreat'."

He issued a three pronged challenge to unions to become part of the solution not just for British workers but for British companies coping with change

and competitive pressures, and "for a British government committed to dealing with our country's decline. Just as you need to talk to your employer, so the TUC must talk to the elected government of the country," he said.

Mr Monks said that the gap between non-union Britain and unionised Britain had never been wider. Non-union Britain was "afraid, low paid, vulnerable - a disgrace to our country."

Unionised Britain, he said, while "no paradise", according to the official Workplace Survey, was higher paid, received more training and a experienced lower labour turnover.

He cited Ford Motor Company, Ericsson, Boots and Scottish Power as successful companies working in close partnership with unions.

"Our theme this week is New Unionism - the road to growth. It looks to the future while reminding us of the new unionism of late Victorian Britain, when trade unionism surged forward among the semi-skilled and unskilled," he said.

"The challenge of our generation's new unionism is to ignore a similar surge among the new workers of Britain," Mr Monks said. The potential was there, and cited new TUC research that showed there were

5 million "union wannabees" - workers who were not in unions but would like one to act on their behalf.

Those the unions most needed to reach were young, female, more likely to work part time and more likely to work in small firms.

"We need to develop new services to meet new needs. We need to set aside old rivalries - between unions and within unions," he said.

"But class war rhetoric won't do. What will do is a determination to help make union Britain so successful that everyone wants to join. We need a determination to fight the

exploiter, the undercutter and the hirer and firer among Britain's employers."

But he added that this must be matched by an equal determination to deliver for the employer seeking to do the right things for workforce and country.

A management-based staff federation created in the wake of the Government's banning of unions at the listening station CCHQ could be recognised by a Labour government, Labour's employment spokesman told a rally at the conference. Any independent, recognised union which fulfilled the required criteria would have to be recognised according to party policy.

Angry Blair rounds on critics of Scottish referendum plans

JOHN RENTOUL
Political Correspondent

Tony Blair mounted a fierce defence of his plans for a referendum on a Scottish parliament yesterday, dismissing his Labour critics as "pathetic".

On a whistle-stop tour of Scotland after a week in which his policy on devolution teetered on the edge of force, the Labour leader hit out to all directions with unceasing impatience. Of Labour MPs, party activists and union leaders opposed to the second question in the referendum on the Scottish parliament's taxation powers, he said: "I have never heard of anything quite so pathetic as this. They should get a bit of sense into their heads."

He accused Sir David Steel, chairman of the Scottish Constitutional Convention which includes Labour and the Liberal Democrats, of "sitting on the sidelines". Responding to Sir David's description of Labour as "headless chickens", Mr Blair said it was all very well people

like Sir David saying they had always stood for devolution. "Well, he may have always stood for it, but he's never damned well delivered it," he said.

In a series of interviews and speeches, including a question-and-answer session with pupils at Hamilton Grammar School, he said Labour was the only party which could deliver devolution, and a referendum would help push the legislation through the Commons.

In an implied criticism of earlier Labour leaders, Mr Blair said the reason devolution had not been delivered in the Seventies was because "enthusiasts" had been allowed to determine the agenda. For good measure, Mr Blair took a swipe at the

Conservatives and Scottish National Party. "It is about time we forced the Tories and the SNP to say whether they will abide by the will of the Scottish people," he told a meeting in Aberdeen last night.

Earlier, he gave his "total support" to George Robertson, Labour's Scottish affairs spokesman, who was responsible for last week's flip-flop over a second referendum. But his endorsement fell short of a guarantee of a seat in a Labour Cabinet. Admitting that last week's Scottish policy changes had been a "mess", Mr Blair said: "What I say to people when they say there are these U-turns is: 'Leave all that aside for a minute. Is what we are proposing right or wrong?'"

He and other non-Japanese staff suffered a 20 per cent pay cut in 1991 but Japanese employees were not affected. Non-Japanese staff were treated with suspicion and given "Japanese minders/observers" who listened into their conversations.

The case, which is being funded by the Commission for Racial Equality, is expected to last five days.

Japanese bosses come under fire

LOUISE JURY

The work practices of Japanese companies in Britain came under renewed fire yesterday as a senior executive accused his former bosses at a finance firm of racial discrimination.

In the latest of a string of cases, Brian Mooyart claimed Sakura Finance International in the City of London treated its non-Japanese staff like "second-class citizens".

He told an industrial tribunal in Bury St Edmunds, Suffolk, that the firm operated "what would appear to be a blatantly racist, doctrinal tract".

Mr Mooyart, 49, of Faversham, Kent, said when he chal-



Brian Mooyart: Dismissed

lenged one of his bosses about this he was told it was "a fact of life".

He is claiming unfair dismissal against the securities house, where he worked from 1987 to 1995. The firm denies racial discrimination.

The tribunal heard that Mr Mooyart had risen to become an executive director, the third most senior rank in the company's London office. But he was overlooked for a department head's post which went to a Japanese rival.

Less skilled managers had on more than one occasion arrived from Tokyo and been placed above him, it was claimed. Harjit Grewal, counsel for Mr Mooyart, said his client, a British citizen of Anglo-Dutch origins, was treated

"to his detriment" because of his nationality.

Mr Mooyart said he was once told by a more senior executive: "You are not Japanese staff, so your opinion is not interesting. You will do what we want."

He and other non-Japanese staff suffered a 20 per cent pay cut in 1991 but Japanese employees were not affected. Non-Japanese staff were treated with suspicion and given "Japanese minders/observers" who listened into their conversations.

The case, which is being funded by the Commission for Racial Equality, is expected to last five days.

SIGNIFICANT SHORTS

Thirty parents withdrew their children from a Nottinghamshire primary school yesterday, in protest against the presence of an allegedly unruly boy. Teachers at Manton School in Worksop, Nottinghamshire, had threatened to strike, rather than teach Matthew Wilson, 10.

Members of the National Association of Schoolmasters Union of Women Teachers withdrew the threat after councillors agreed to pay £14,000 a year for a teacher to teach Matthew separately from other pupils. When Matthew returned to school yesterday, he was escorted into the building while other pupils were having lessons - part of the agreement made with the union. However, 30 parents withdrew around 40 children from school and others signed a petition for him to be permanently removed. *Judith Judd*

John Carlisle, the outspoken right-wing Conservative MP for Luton North, has announced that he will retire from the Commons at the next general election. Mr Carlisle, who is 54, and has been attacked by Labour for his attitude towards the former apartheid regime in South Africa, becomes the 57th sitting Tory MP to announce retirement at the end of this Parliament. He has been a persistent and robust critic of John Major's policies and leadership.

Another right-winger, Lady Thatcher's former economic adviser, Sir Alan Walters, has been chosen to fight a London seat at the next election for Sir James Goldsmith's Referendum Party, it was announced. It had been expected that Sir Alan would challenge the strongly pro-European Chancellor, Kenneth Clarke, for his Rushcliffe constituency, but he has been selected instead as prospective parliamentary candidate for the City of London and Westminster South constituency, currently held by former Tory Cabinet minister Peter Brooke with a 13,000 majority.

A 50-year-old man was being questioned by police investigating an explosion in which one man died and two people were seriously injured. The blast, at 4.40am yesterday, blew out the front of a grocer's shop in Ealing, west London, rocked the flats above it and damaged cars parked nearby.

Firefighters found a man's body on the second floor of the four-storey building, which was engulfed in flames. The man being interviewed was arrested in Ealing at midday. Police believed a fire caused the gas explosion and were treating the blaze as "possible arson". A 24-year-old man, and a woman of 25 escaped by jumping 40ft from a top-storey window. A Fire Brigade spokesman said the building was so badly damaged it may have to be demolished.

Buckingham Palace last night described unguarded remarks on the Prince of Wales by the former Archbishop of Canterbury, Lord Runcie, as "water under the bridge". Royal officials said they had no wish to clash with Lord Runcie, who is in poor health, adding that his "wise and helpful advice" was much appreciated.

According to a controversial new biography, the former Archbishop of Canterbury saw the wedding of the Prince and Princess of Wales as an "arranged marriage". Lord Runcie is quoted as saying that he knew about the affair between Charles and Camilla Parker Bowles before it became public knowledge.

Plans for the first new mine in a decade emerged yesterday, as it was announced that a battle to save another pit had finally been lost. RJB Mining, which took over many of British Coal's pits in 1994, is expected to officially announce today that it is to open a new pit in Nottinghamshire. The mine, which could take more than 10 years to develop, is expected to employ up to 500 people.

Meanwhile, Markham Main colliery, in neighbouring South Yorkshire is to close. The Coal Authority, which owns the mine, said it had been unable to find an operator to take over the licence after it was surrendered by administrators of the private company, Coal Investments, in June.

Two children whose bodies were recovered from the sea two weeks after they disappeared from a beach, almost certainly drowned, a coroner said yesterday. Tom Loughlin, four, and his sister Joeli Loughlin, six, vanished from Holme Beach near Hunstanton, Norfolk, on 18 August. Joeli's body was found on 30 August on a beach near Sheringham, Norfolk. Tom's body was found two days later.

Opening an inquest into their deaths, the Norwich district coroner, William Armstrong, said a post mortem examination showed that the probable cause of both deaths was submersion in water. Home Office pathologist, Dr Nat Carey, who had carried out post mortems on the children at Addenbrooke's Hospital, Cambridge, had found no suspicious injuries on either body. Dr Carey was still waiting for the results of toxicology tests before he could be 100 per cent certain of the cause of the deaths.

Libyans indicted in 1991 for the bombing of Pan Am Flight 103 over Lockerbie will never stand trial in Scotland or the US, according to Scottish and Libyan lawyers. In stark terms clearly aiming to end the international legal stalemate that has existed since the possibility of the men's voluntary extradition first emerged in 1993, Dr Ibrahim Legwell and Alistair Duff both told a special session of the seminar of the International Bar Association that unless plans for the men to be tried in a neutral country - under Scots law and headed by a Scots judge - were resurrected the probability existed that the Libyans would never stand trial.

The seminar, run by the IBA's Human Rights Institute, in conjunction with the Arab Lawyers Union, was also addressed by Dr Jim Swire, representing the families of British victims, who said: "Five years without progress convinces us that it is time to compromise." British and US authorities appear not to have moved from the belief that the men should be brought to justice in either of the two countries. *James Cusick*

An ancient Scottish aristocratic title, bought by a corrupt Scotland Yard official who spent millions of pounds of stolen public money on to fund his flamboyant fantasy lifestyle, is to be put up for sale. The 900-year-old title of the Baron of Chirnside, in Berwickshire, will be auctioned in London next month to try and claw back some of the £5m that "Lord" Anthony Williams stole.

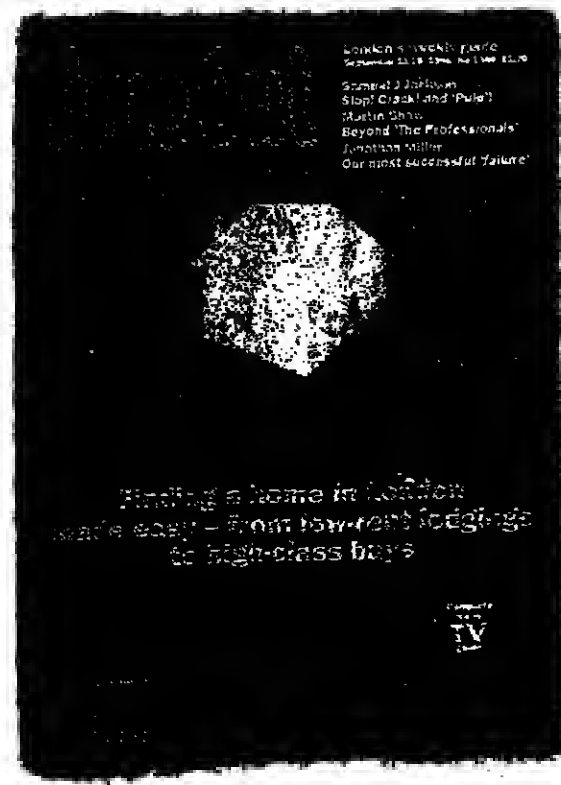
In May, 1995, Williams, 56, an accountant with the Metropolitan Police, was jailed for seven and a half years for fraud. He used the money he stole to buy a string of properties in the Highland village of Tomintoul.

Cricketer Ian Botham is to appeal and seek a retrial after losing his libel battle against Imran Khan. Botham, who with fellow cricketer, Allan Lamb, sought damages against the former Pakistani captain, is appealing on the grounds that the jury was misdirected during the libel action, which they lost in July, leaving them with an estimated £400,000 legal bill.

THE INDEPENDENT ABROAD

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The British Association for the Advancement of Science: Discoveries leading to ethical quandaries in medicine

Genetic knowledge brings new fatalism

CHARLES ARTHUR
Science Editor

The growing number of diseases now known to be linked to genes is making Britain "a society with more pity", according to a scientist - but also into a more fatalistic one in which inheritance is seen as destiny.

The trend could also lead to difficult ethical decisions, mirroring those in which hospitals have refused to perform heart operations on smokers, with health professionals having to base decisions about who to choose for particular therapies on their genetic make-up.

"The increasing emphasis on genes and diseases is likely to lead to a lowering of motivation to alter one's lifestyle to reduce risk," said Theresa Marteau, of the psychology and genetics research group at Guy's Hospital. "But it always affects how we react to others' illnesses. It increases the sense of pity."

Unpublished research by Professor Marteau found that people show less sympathy to those who decline tests to see if they are at risk of developing a genetically-linked disease, but subsequently develop it.

In an experiment in which people were asked about their level of sympathy to a hypothetical mother whose baby was born with Down's syndrome, they showed less sympathy if she had refused the pre-natal tests.

In another experiment, parents were told that their babies' raised cholesterol level was due to a genetic predisposition. One said: "I feel as though a death sentence has been pronounced on my boy." But another group of parents, whose babies also had raised cholesterol but were

not told it was genetic, reacted with equanimity. "It's only a dietary thing," one said.

Professor Marteau said: "In 30 years, the Human Genome Project [which aims to decode all of the human DNA code] could result in therapy and control for previously incurable diseases."

"But long before that we will be able to predict the condition. And what we see as causing the illness is an important factor in what we do about it."

Existing tests can already uncover genetic predispositions to heart disease, breast and colon cancer and diabetes. But under current practice, insurance companies and employers are not allowed to ask for a test to be carried out before offering insurance or health cover, or employment.

The results of the latest research suggested that restrictions should be imposed on the availability of screening for certain genetic conditions, Professor Marteau said.

The growing awareness of genetic predisposition to various conditions can make people less interested in trying to change their lifestyle. One study of heart-attack victims found that if they thought the disease was caused by inheritance they were only half as likely to change their lifestyle as those who believed that it was a random occurrence.

The belief that genes determine lives has taken an extraordinary hold, with one man in the US claiming he was genetically predisposed to murder. His appeal failed. But the belief in the power of genes to shape lives could help one group, Professor Marteau said. It might change others' attitudes to those who are obese.



Perpetual revolutions: A boy encounters a demonstration at the British Association for the Advancement of Science in Birmingham yesterday

'Revolution' in understanding Aids

CHARLES ARTHUR
Science Editor

The past six months have seen "a revolution" in our understanding of the virus that causes Aids, and made it far more likely that we will eventually develop an effective vaccine against it, according to British scientists.

One theory now being investigated is that people who have received tissue transplants, such as kidneys, may have a higher level of resistance to the disease than normal.

This could mean that antibodies generated against other human cells are more effective than those against entirely foreign cells such as HIV.

However, any vaccine will not be available before the end of the century, and could lead to social problems in the countries which need it most, said Ann Rees, of the Jenner Research Trust laboratories.

Speaking yesterday, she said: "If we did develop a vaccine, there would be a question of whether the countries that needed it most could be persuaded to accept its use."

Ninety per cent of HIV infection occurs in developing countries, she said. "It would be a vaccine against a disease which is, in those countries, sexually transmitted - that's socially difficult for some people to accept. But it's important that they are, for the greater good."

"Efforts to develop an HIV vaccine have been continually frustrated since the virus was first identified in the 1980s. This is because it mutates very rapidly and interpolates itself into the infected person's immune system."

There are already three trial vaccines against HIV, the monkey form of the disease, which are being tested on macaque monkeys.

None though has been tested on humans. But this year scientists in Britain and the United States have made rapid strides in understanding how the virus attacks itself to body cells.

They have also found that about one in 100 Caucasians

have a genetic mutation which seems to make them naturally immune to the virus.

Professor Thomas Lehner, of Guy's Hospital, said: "I am more optimistic that there will be a vaccine against HIV, particularly because we now know much more about its mechanism. The whole climate of opinion has changed in the past six months. It has been a revolution."

He said that the new work on vaccines in monkeys had led to a number of new areas of study. Special interest has focused on one vaccine, which extracts the antibodies generated against HIV from one monkey and injects them into another, uninfected monkey. Experiments

have demonstrated that these monkeys are more resistant to HIV than normal. This is reckoned to be caused by the uninfected monkey producing "allo-antibodies", which are antibodies against closely related cells. The same types of antibody are produced by patients who have organ transplants, and can lead to the rejection of the donated organ. But in the case of HIV, and possibly HIV, it appears to confer resistance.

"There's a possibility that the allo-antibodies are a key to it," said Prof Lehner. "Certainly, it seems that the protection isn't associated with the virus, but with the human antigen. However, the mechanism is still a huge question."

Radar reveals Roman secrets

CHARLES ARTHUR

Archaeologists discovered that a Roman settlement in Worcester, Shropshire, was as big as Pompeii - without touching the ground that covers it. They used ground-penetrating radar, coupled with magnetic and electrical analysis of the soil, to draw up a plan of the fourth-largest city from Roman times.

The first views of the settlement, occupied for 300 years after the Romans left Britain in the first century AD, were drawn up from aerial photographs taken in the years after the Second World War. But two years' work by University of Birmingham researchers has discovered that what used to be thought of as a village was a city covering 78 hectares and that a substantial portion was wrecked by a fire which destroyed many of the timber-framed houses.

"There is still a place for spadework in archaeology," said Simon Buteux, who led the research, which was done by an international team of scientists. "These techniques give you images and a plan, but it's not like coming into contact with the real thing."

"However, the new techniques do have the advantage that they do not move any of the buried items. In the process of excavation, archaeologists destroy much of their evidence, even as they seek to record and understand it," said Mr Buteux. The newer techniques reduce the cost and avoid the destruction of excavation. Previously, only 5 per cent of the city had been excavated; principally its public baths. Now 80 per cent has been investigated, leading the scientists to triple their estimate of the number of people who lived there.

Ground-penetrating radar can detect objects at a range of depths, varying from 15 to 150cm below the present ground level, where the foundations of Roman Worcester are found.

A similar technique was used to detect an older version of the Great Wall of China from the space shuttle last year.

Traffic takes toll on bird species

NICHOLAS SCHOON
Environment Correspondent

Up to a fifth of some British bird species meet their deaths on the roads each year, a researcher told the association meeting. But species such as magpies and crows were benefiting from the thousands of small, feathered corpses left at the wayside.

Chris Mead, of the British Trust for Ornithology, said that a few species were now known to be particularly vulnerable - such as barn owls, which hunt along long roads. Of 48 barn owls which he had ringed recently, nine were recovered dead after being hit.

But Mr Mead thought collisions were also a significant

cause of mortality in dozens of other species and a likely factor in the decline of the house sparrow, whose numbers had fallen noticeably in urban and rural areas in recent decades.

"My own guess is that between 3 and 20 per cent of vulnerable British birds are killed each year on the roads," he said. About 100 species were vulnerable, he added - birds which flit between hedgerows, or which chase each other furiously in territorial disputes.

"It's the busier rural roads such as two-lane A roads which are the real killers," he said. "Motorways are probably much safer because the amount of

noise and movement and their width keeps many small birds from attempting to cross them."

Mr Mead believes that one reason why the magpie population has soared is because collisions provide them with carrion at times of year when food would otherwise be scarce.

But vehicle strikes are not the only danger that traffic poses to birdlife. From the Netherlands comes research which shows that willow warblers more than a mile from motorways are affected by the noise which "makes it difficult for them to hear each other, which they need to do in defending territory and attracting mates".

£20m kidnap and murder plot

A convicted kidnapper plotted from his prison cell to snatch a multi-millionaire and hold him for ransom. The ruse was to say De Houghton had a very valuable item of furniture. He wrote to G indicating he had furniture for sale. G was hooked.

Mr Morrison was visiting Mr de Houghton regularly in prison, the court was told. Mr de Houghton was dissatisfied with the first team Mr Morrison had recruited and a second team was found. But among them was an undercover detective.

By February 1996, there were fears that Mr de Houghton was suspicious of the undercover officer and the police decided to make arrests. When interviewed by police Mr de Houghton allegedly said he was acting on the orders of another prisoner whom he feared.

The trial continues today.

told his victim he was a dealer in Russian icons; G was interested in furniture. "The ruse was to say De Houghton had a very valuable item of furniture. He wrote to G indicating he had furniture for sale. G was hooked."

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The trial continues today.

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Lottery forecast to boost jobs by 110,000

CHARLIE BAIN

The National Lottery is set to boost the economy by creating more than 110,000 jobs within the next five years, a report claimed yesterday.

Research shows that nearly 30,000 jobs have been created or secured since the lottery was launched 22 months ago, with further employment opportunities expected in 1998 when many large lottery-funded projects get under way.

According to the report, commissioned by the lottery operator Camelot and published by the Henley Centre, the retail, administration and management sectors are all expected to

the sector and predicting a rise to 18,860 next year as Camelot expands its outlets.

The Secretary of State for National Heritage, Virginia Bottomley, said yesterday that the research showed that the lottery was exceeding the good causes it was designed to support and was bringing "real benefit" to the country. "The large amounts of extra money available through the National Lottery offers new hope and potential for towns and cities, villages, clubs and organisations everywhere to improve their facilities for the benefit of their communities," she said.

However, yesterday's Henley report also recognised that 6,500 jobs have so far been lost in pools, off-course betting and bingo companies. It calculated that the net effect on jobs would be small as many of the job losses to date have been the result of one-off restructurings, and are likely to taper off if lottery sales remain at current levels.

Tim Holley, Camelot chief executive, said that companies affected by the lottery had probably "down-sized" as much as was needed. "But even if the job losses doubled we are still talking about over 100,000 jobs created," he said.

Within four months of its launch, the National Lottery was beginning to have an effect on Britain's £900m pools industry with Vernons, Littlewoods and Zetters all announcing a fall in business.

"We've lost about 2,000 jobs since the lottery started, that's out of a workforce that was between 3,500 to 4,000," a spokesman for Littlewoods Pools said yesterday. "We've lost about 25 per cent of our business since November 1994. We have closed our buildings in Cardiff and Glasgow and are now solely on Merseyside. We are suffering."

benefit largely. But the construction industry is forecast to profit most, with the number of jobs created or secured by 2000 reaching 2.5 to 3 per cent of the entire United Kingdom construction work-force.

A separate report published by the Royal Bank of Scotland revealed that the construction industry was set to receive an annual boost of £1.3bn as a direct result of building projects funded by lottery money. The major regional winner in such projects will be London, where annual spending is forecast to be £316m or £46 per head, twice the UK average.

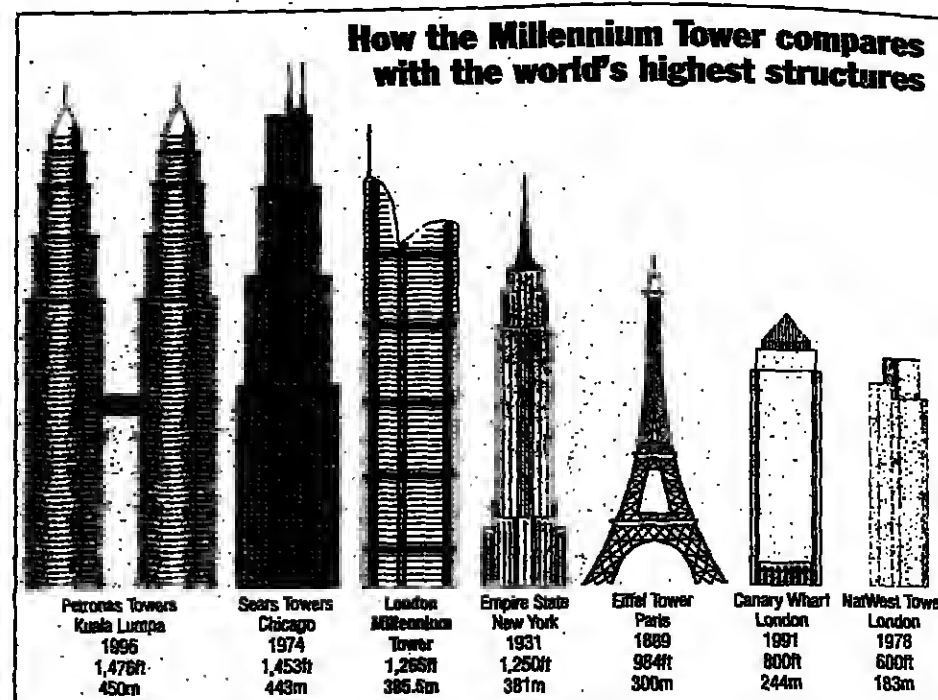
The Henley report also predicted further extra jobs in retailing, estimating that the lottery had already added 17,190 mainly part-time jobs in

Construction industry is set to receive £1.3bn a year for projects funded by lottery

Sir Norman Foster's £400m dream - to build Europe's tallest building on a City bomb site



From the ashes: Sir Norman Foster and the Millennium Tower Photograph: Glynn Griffiths



LOUISE JURY

A 1,265ft kidney-shaped glass building which would be the tallest in Europe was unveiled yesterday as the architect Sir Norman Foster's vision for the bombed Baltic Exchange site in the City of London.

Plans for the £400m skyscraper set the year 2000 for a "topping out" ceremony marking London's pre-eminence as a financial centre for the millennium. The structure will include restaurants and bars on a 1,000ft-high public viewing platform, 40 apartments, offices and trading floors.

Although the building would dwarf neighbouring towers, Sir Norman denied it would overpower the skyline.

He said: "Tall buildings are expressions of the energy and aspirations of world-class modern cities. The London Millennium Tower will be a statement of confidence in the City for the next century ... a sign that London does command a central world-league position."

Although there were exciting prospects for the millennium planned in the City, there was no new building and this was a "very good opportunity". It would not be a "remote and isolated building sticking out like a stick of rhubarb," he added.

The unveiling of the proposals came after months of speculation over the future of the site which was severely damaged by an IRA bomb in 1992.

But the futuristic design is bound to cause controversy and raise suspicions that it will never be built. The building will require planning consent from English Heritage as it involves pulling down the Grade II listed remains of the old Baltic Exchange. In the wake of the bombing, English Heritage had insisted the exchange, which had a neo-classical facade and a striking teak-panelled trading floor, should be restored.

But when work was carried out last year in preparation for a separate, successful planning application incorporating the exchange into a new building, the severity of the damage became clear and the Corporation of London asked English Heritage if a new design might be considered.

An English Heritage spokeswoman said yesterday: "We're extremely sceptical about a building of this size on that site. We think it would dominate the City skyline and have a major impact on surrounding streets."

They could make no detailed comments until an application was submitted, but would want a full environmental survey,

she said. At a press conference yesterday, Sir Norman stressed that extensive tests were being carried out to prevent a wind-tunnel effect around the tower and to protect the "micro-climate" at its base.

The form of the structure would be "free-flowing and sculptural" with the effect of sunlight hitting the curved glass facade making it appear "elegantly slender" and providing a different view from each side.

Security would be maintained by providing public access only from glass lifts outside the building, leaving internal lifts for the 8,000 people expected to work and live inside.

The building will be the third tallest building in the world and Sir Norman was delighted. "The thrill is doing it here in London and not having to travel to the other side of the world," he said.

Alan Winter, managing director of the developers Trafalgar House Property, said they hoped to submit the planning application next month and begin next work next year for completion by 2001. But any public inquiry would delay the timescale.

They needed an "anchor tenant" committed to the project before they could go ahead, and were in talks with several interested companies.

THE INDEPENDENT

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Medical study sought tobacco firm donation

NICHOLAS TIMMINS and CHARLES ARTHUR

The Medical Research Council directly solicited the tobacco cash which it is using to undertake a controversial study into the medical effects of nicotine on degenerative brain disorders such as Alzheimer's disease.

The £147,000 contribution over three years from British American Tobacco (BAT) was originally described by the MRC as a "donation" towards the £200,000 a year research project. It has now emerged that the cash was sought from BAT, not offered by it, and that the MRC approached other tobacco companies during the tawdry for money to keep the research programme going.

BAT has refused, however, to disclose which other researchers it is funding, arguing that the scientists themselves often want their projects to remain confidential until the results are published.

The tobacco company also defended its funding position. "People approach us," a BAT spokesman said. "They write in and the idea is referred to our advisers for consideration. We don't go out looking for business, offering to give our money away. They approach us."

The MRC has also confirmed that the money for the research programme at the council's Neurochemical Pathology Unit in Newcastle upon Tyne was sought.

Jane Lee, the MRC's director of corporate affairs, said: "You have to remember there was a bit of a crisis at the time." A pharmaceutical company had unexpectedly withdrawn support from the programme, and without a new source of funds, the unit faced redundancies.

Both the unit and the MRC's technology transfer group, which seeks commercial backers for the MRC's research findings and intellectual properties, "put out feelers" to drug companies and to brokerage companies which can link academic researchers with funding sources, she said. The brokers, she added, would have a portfolio of potential backers, including pharmaceutical and tobacco companies.

The deal with BAT was signed because of all the companies approached, it responded most quickly, Ms Lee said, both in terms of providing the funding and in agreeing the strict conditions on which the cash would be taken.

Labour sure to win, say opinion leaders

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JOHN RENTOUL
Political Correspondent

The outcome of the next election is a foregone conclusion, according to a poll for *The Independent* of "opinion leaders", three-quarters of whom expect Labour to be in government in 2000.

Tony Blair, the Labour leader, is far and away the most popular choice as prime minister for the new millennium; he is preferred by 37 of our sample of 100 company directors, senior civil servants, media editors, politicians and trade union leaders.

Of the sample, 76 expect a Labour government, and all except one expect Mr Blair to be leading it (the other predicts Margaret Beckett, the former deputy Labour leader, as prime

minister). Only 15 think the Tories will be in power, and only five of that 15 expect John Major to be in Downing Street in 2000. John Redwood, last year's Tory leadership challenger, is tipped by two people, with one each supporting Kenneth Clarke, the Chancellor, and Michael Forsyth, the Secretary of State for Scotland, who would have to hold his ultra-marginal Stirling seat.

One other member of the panel predicts that Mr Blair will be prime minister—at the head of a Tory government. The rest did not know.

Asked who they would "most like to see" as prime minister in 2000, Mr Major is a poor runner-up to Mr Blair, with nine votes. Mr Clarke and Robin Cook, the shadow Foreign Secretary, have four votes each, fol-

lowed by Michael Heseltine, the Deputy Prime Minister, and Chris Patten, the Governor of Hong Kong, with three. Paddy Ashdown, the Liberal Democrat leader, Mr Forsyth, Mr Redwood and Chris Smith, Labour's health spokesman, all have two votes.

Most of our sample, 53 of those polled, expect Labour to be more divided by 2000—more than the 41 who expect the Tories to be more divided.

The poll, by Opinion Leader Research, is designed to reflect the views of people who have the power to influence public opinion. It reveals dramatic changes in the fortunes of Britain's politicians since a similar survey three years ago.

The death of the Labour leader John Smith has transformed the political landscape and, partly as a result of his rebuilding the party, Labour's chances of winning the next election have vastly improved.

Meanwhile, the prospects of Mr Clarke and Michael Portillo, the Secretary of State for Defence, have faded, while those of Mr Major—then given almost no chance of surviving as Tory leader—have slightly revived.

The 1993 poll was one of the first pointers to Mr Blair's emergence as the candidate most likely to succeed Mr Smith.

The prospect of a Labour victory at the next election is supported by *The Independent's* analysis of polls of the public since the beginning of the year. The average Labour lead has fallen from 28 points in January to 22 points last month. This represented little change from 21 points in July and 22 points in June. From March to May the average Labour lead was steady at 25 points.

All the polling companies have changed their methods since their failure to gauge opinion accurately at the last election: one of them—ICM—quite dramatically. But Labour's average rating in the four main polls is still 51 per cent—an unprecedented figure this close to an election, which will be held, at most, in eight months' time. The Tories are on 29 per cent and the Liberal Democrats on 14.5 per cent.

Viking gang heads for life on the ocean wave



Men at arms: Sculptor Walernty Pytel with his Viking creations, destined for a nomadic life on a Norwegian cruise ship Photograph: Huw Evans

RICHARD SMITH

A British-based sculptor has conquered the Vikings with a commission for five life-size warriors to take pride of place on a new cruise liner.

Walernty Pytel, 50, has made the Viking models for a Norwegian shipping company. They will stand in the main entrance hall leading to the bridge of *The Grandeur of the Seas*, which will be launched later this month.

Each metal warrior weighs around 100kg and contains 600 pieces of steel which were welded and sprayed with hydrochloric acid to obtain a rusty red finish. "It was quite an honour to be chosen," Mr Pytel said. "But it has been rather nerve-racking."

The sculptures will begin their journey to Norway tomorrow from the field behind Mr Pytel's home in Bromsash, Hereford and Worcester.

For the last six months my studio floor has been laden with the heads, arms, legs and bodies of Vikings," Mr Pytel said. "It was becoming rather spooky... They are a fearsome bunch, with scraggy hair."

DAILY POEM

The Fossil Imprint

By Les Murray

The impress of a whet
in hard brown rock,
fluted as a plinth,
its life gone utterly,

throb, wet and chalk,
left this shape-transmission,

a kin boat of fine brick
Just off centre is a chip

healed before its death
Before some credit help

this glazed biographee
beat surf-smash, stone rap,

maybe even saurid bite
in a swamp Antarctic.

Here, and where you are,
have been Antarctic.

Les Murray, born in 1938, grew up on a dairy farm at Bunyah on the north coast of New South Wales, Australia. Thirty years later, after spending his university and working years in Sydney, he returned to the area to buy a farm, where he lives today. He is Australia's finest and best-known poet, whose abilities have prompted Derek Walcott to observe: "There is no poetry in the English language so rooted in its sacredness, so broad-leaved in its pleasures, and yet so intimate and conversational." A new collection, *Subhuman Redneck Poems*, is published by Carcanet this month at £7.95.

MPs secure £70,000 study into 'workfare'

NICHOLAS TIMMINS
Public Policy Editor

A £70,000 study of a controversial "right-to-work" scheme has been commissioned by the Government, despite its long-term opposition to the idea.

The move follows the signing by 135 backbench MPs from all the main parties of an Early Day Motion backing the "Right to Work" Private Member's Bill

put forward by Sir Ralph Howell, the Tory backbencher, and Frank Field, the Labour chairman of the Commons Social Security Committee.

The independent study will be undertaken by National Economic Research Associates, for the Department for Education and Employment, and was ordered by the Prime Minister.

The Bill, due for another parliamentary outing this autumn,

provides for a "Workstart" scheme and subsidised jobs paying £3 an hour which the unemployed could be required to take. Its backers claim the package could "eliminate unemployment" and save billions of pounds in public expenditure by giving the jobless work.

It has gained support across party lines, from both the right and the left. The Commons Employment Committee, which

examined the scheme, demanded last March that a pilot be launched "forthwith".

The results of the study will be available by mid-October, and Sir Ralph and Mr Field have been in touch with Pádraig Flynn, the European employment and social affairs commissioner, urging him to launch a European-wide costing of the scheme. Mr Field said that once the costings are available,

"we will be seeking a meeting with John Major and urging him to take the idea to the [Dublin summit in December] as the UK's contribution to tackling unemployment in the EU".

A successful scheme could lead to compulsory "workfare", Mr Field has said, although initially the scheme would be largely voluntary as too few jobs would be likely to be created to mop up all the unemployed.

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The Independent and the Independent on Sunday would like to invite you to take a hotel break and enjoy two nights for the price of one.

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There are more than 60 Minotel hotels participating in this offer, all of which are located in England, Ireland, Scotland and Wales. All the hotels offer top-class comfort and pride themselves on providing a personal service that many larger establishments cannot match. This Friday in *The Independent* we will print a list of all the participating Minotel hotels with a brief description of each.

Pictured today is The Whitewater Hotel in Newby Bridge, Cumbria. This converted old mill with its own health club enjoys a riverside location at the southern end of Windermere. A double room for one night costs £95.

How to Qualify
To qualify for your 2 for 1 break, you must collect three differently numbered tokens from the seven we are printing in *The Independent* and the *Independent on Sunday* and attach them to a voucher which we will print in Thursday's *Independent*. When you have three tokens plus the voucher, follow the booking procedure detailed on this page. Today we print Token 4; Token 5 will be printed in Tomorrow's *Independent*.



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1. To participate in our 2 for 1 offer you must collect 3 differently numbered tokens and attach them to a voucher which will be printed on Thursday 12 September along with a confirmation booking form.
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3. Some hotels, at the proprietor's discretion, will accept the voucher for longer stays on the same basis, so you can stay for 4 nights for the price of 2 for example. Please check with your chosen hotel when making your booking.
4. The voucher does not cover payment for any other meals or service that may be requested by the holder and cannot be used with any other offer, saving or discount that may be available at the hotel.
5. One child, under the age of 12 years at the time of booking and sharing a room with two adults will be accommodated free of charge but all meals, including breakfast, will be chargeable.
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7. No bookings will be accepted for Bank holiday periods.
8. All bookings must be made no more than six weeks in advance of your proposed date of arrival.
9. Vouchers are valid until 30 April 1997.
10. Vouchers must be surrendered on arrival at the hotel and can be used on one occasion only.
11. Photocopies of tokens and vouchers are not acceptable.

Booking Procedure

1. All bookings must be made by telephone direct with each individual hotel. Callers must identify themselves as "Independent 2 for 1 voucher holders" as some hotels may have standard or superior rooms available at normal rates when their allocation of 2 for 1 rooms is full.
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3. Voucher holders wishing to pay by other methods can make a provisional booking by phone which the hotel will keep open for 48 hours pending receipt of the confirmation booking form and payment which will be acknowledged by the hotel on the day it is received. If you do not receive such an acknowledgement within seven days, you are advised to contact the hotel.
4. No-shows or cancellations less than 14 days prior to the anticipated date of arrival at the hotel will render the voucher invalid and the holder liable for payment in full for each night booked, including those previously offered free.
5. All bookings made under this promotion are subject to availability and to the selected hotel's own terms and conditions, except where these conditions may differ from those in which case these conditions shall prevail.





Mapplethorpe: Work still 'vibrated and celebrated'

Hayward censors Mapplethorpe nude of girl, five

An exhibition of photographs by Robert Mapplethorpe, the American photographer who died of AIDS, has been changed after officials at the Hayward Gallery on the South Bank in London decided to clear the catalogue with the police.

The exhibition, which opens next week, contains a number of explicit pictures, including images of sado-masochism. Officials at the gallery showed police the catalogue in case it offended against pornography legislation.

The Cuts and Vice Squad police advised against the display of two photographs - one of a naked five-year-old girl sitting with her legs open, and the other of two men having sex.

The Hayward Gallery will not be including the photograph of the girl, entitled *Rosie*, although it had been a part of the exhibition when it toured in other countries. Officials have not yet decided whether to follow police advice on *Helmut and Brooks*, which shows the homosexual practice of "fisting".

Child-abuse charities were outraged at the prospect of *Rosie* going on show in London because they feared it would appeal to pervers. Esther Rantzen, chairwoman of Child-Line, called it "horrific". A South Bank Centre spokeswoman said: "We do not have room to show the whole touring exhibition, and *Rosie* is not representative or one of Mapplethorpe's best works."

She added: "The climate has changed since that picture was taken in 1976... the issues around how children are portrayed are very different now." The retrospective show has already been exhibited in many countries around the world, she pointed out. Other photographs feature male genitalia, homosexual sex, whips and guns.

Mapplethorpe, who died in 1989, was a sought-after portrait photographer also famed for his still-life flower pictures. He once said: "I went into photography because it seemed like a perfect vehicle for commenting on the madness of today's existence."

The retrospective is being toured by the Robert Mapplethorpe Foundation. Its publicity says: "His graphic portrayals of sado-masochism are provocative and hard-hitting, demonstrating his fascination with the body as a site of pleasure, humiliation and pain. Vilified for their disturbing, often fiercely sexual content, the pictures are, at the same time, celebrated for confronting society's values and prejudices."

Theatre disputes: Top left-wing company and RSC accused of threatening minimum pay deal and lack of consultation over move

Union attacks Royal Court over pay rates

DAVID LISTER

The Royal Court, Britain's most progressive theatre, is being attacked by theatre union officials for advertising jobs at wages below what they say is the minimum union rate.

The union Bectu, which represents backstage and front-of-house staff, claims that the Royal Court is offering some usher staff £12.50 for a shift of just under four hours.

The problem has arisen with the theatre moving into new temporary home at the Duke of York's Theatre in the West End while its own theatre in Sloane Square is rebuilt with the help of £16m from the National Lottery.

Bectu's national officer, Willy Donaghy, said of the proposed wages: "The theatre is offering some front-of-house staff just £12.50 for a three-hour 45-minute shift at the new temporary venue, undercutting the £14.67 rate agreed by Bectu and the Society of London Theatre. We will do everything within our means to stop the Royal Court from undermining this agreement. This doesn't bode well for the theatre's stay at the Duke of York's."

The dispute could become an embarrassment for the Royal Court. It is not only the traditional champion of left-wing and

progressive writing dating back to John Osborne's *Look Back in Anger*. It is also headed by artistic director Stephen Daldry, who is one of the most outspoken political firebrands in the arts and has fired public broadsides at the Tory government on a number of occasions.

Next week the Royal Court stages the premiere of the latest work by another of theatre's more political animals, Harold Pinter.

A Royal Court spokeswoman said yesterday that the rate the theatre was offering some staff may be below the West End rate but was the same as the Royal Court paid at Sloane Square. "The Duke of York's is being leased to us for two years," she said. "We are going into it as the Royal Court and we are paying

everybody as we, the Royal Court, pay them. We may have all this lottery money, but we are, as ever, poverty-stricken. You can be a lottery millionaire but still totally broke. Our money for productions and for paying staff is minimal."

The Royal Court's arrangements for while the Sloane Square theatre is being rebuilt involve using two West End theatres - the Duke of York's for its main house productions and the Ambassador's Theatre for its smaller-scale performances.

Bectu is also at loggerheads with the Royal Shakespeare Company, where the union has threatened strike action over what it calls the RSC's "poorly thought out plan" to move out of its London home in the Barbican Centre for part of the year.



Theatrical memories: An exhibition of Royal Court history at the Sloane Square building that is being redeveloped

Photograph: Tom Pilsten

Why show business is no job for a theatre's artistic director

"There are no good, brave causes left," wailed John Osborne's Jimmy Porter from the Royal Court stage in 1956. Bectu believes it has found one - the alleged under-paying of staff by the same Royal Court.

It is an irony Osborne would have enjoyed. But if the Royal Court is in schism as it moves from being a small radical stage company to managing a

multi-million-pound rebuilding and development project, then it is far from being alone. The Royal Shakespeare Company has also been in dispute with Bectu, which has accused it of failing to inform staff of its plans for moving out

of London for half the year. The National Theatre is also about to undergo a dramatic change, albeit of a non contentious kind, when Trevor Nunn takes over the helm from Richard Eyre.

It is a good moment for the Arts Council to produce its state of the nation report, which it will next month. It will be the first national drama policy for a decade.

What is apparent in the present shake-up in Britain's national theatre companies is the dichotomy between artistic and administrative success.

Adrian Noble, artistic director of the RSC, must be applauded for wanting to ensure that his company is truly national by sharing its productions with more of the country. But the arrangements have not

been well handled and have alienated his employees.

There is a lesson to be learned from the National Theatre, where Eyre as the creative head is partnered by Genista Mackintosh (soon to take over at the Royal Opera House) as executive director. The partnership has had a daunting run of success, both on the stage and with personnel.

It is asking too much for theatre directors not only to produce works of artistic excellence, but to run buildings and budgets as well. The Arts Council drama panel could consider recommending that artistic directors work alongside administrative directors.

A national drama policy also has to wrestle with the Royal Court's genuine complaint that

a theatre can be a lottery millionaire, yet have no money to mount productions and pay staff. Fine buildings with glitzy restaurants cannot overshadow what is on the stage. Everyone who has seen *Look Back in Anger* remembers the play. Who remembers what they ate afterwards?

David Lister

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International Belgium in shock over corruption scandal

ARAH HELM
Brussels

PM orders investigation into police over links between paedophile case and politician's murder

The Belgian authorities faced new demands yesterday to explain possible links between a child sex ring and high-level political corruption, following the arrest of a former Belgian government minister.

In an atmosphere of mounting crisis, the Belgian press yesterday cried out for answers, declaring a virtual state of emergency. "What country are we living in?" asked a front-page editorial in *La Dernière Heure*. "The most corrupt banana re-

publics would pass for islands of tranquillity in comparison with deviant Belgium, which we no longer recognise," *Le Soir* called for suspicion to be lifted if public faith were to be restored in Belgian institutions.

Responding to the furor yesterday, Jean Luc Dehaene, the Belgian Prime Minister said: "We have to investigate the investigation."

Alain Van der Biest was being held in a Belgian jail yesterday charged in connection

with the 1991 murder of Andre Cools, who is widely believed to have been gunned down by gangsters on the orders of political rivals fearing he wanted to expose corruption.

The murder weapon used in the Cools killing was also reported to have been found late on Sunday near Liège. The sudden arrest of Mr Van der Biest, along with four other suspects arrested in the Cools case on Friday, is thought to have followed the production of new ev-

idence during the Dutroux paedophile investigation.

Although no firm connection has been proven, certain names, associated with Belgium's Italian Mafia gangs to be found in the Charleroi region, have come to light in both inquiries. Suspicion has brought accusations that political figures may have had reason to hush up the Dutroux child sex scandal.

During the fast-moving developments at the weekend it

was also announced that Raymond Brose, chief investigator in the Cools case, had suddenly resigned from his post without explanation.

Meanwhile, further names were added to the list of people now thought to have become victims of Dutroux. Four bodies, including those of two eight-year-olds and two teenagers, have so far been found, but it is now thought Dutroux may have murdered as many as 11. Government authorities are

being pressed to declare whether the sudden spate of arrests in the Cools case, coming at the height of inquiries into the Dutroux case, is simply coincidence.

For five years Cools' murder has gone unsolved and the inquiry was thought to have run into the ground. Suspicion has fallen on gangster figures and politicians connected to the Socialist party in the French-speaking region of Wallonia, where Cools was a powerful figure.

But the Dutroux atrocity was also uncovered in this area, and inquiries have extended to webs of corruption including car thefts and property fraud in Wallonia.

The arrest of Mr Van der Biest followed the arrest of his former personal secretary, Richard Jasquet, who apparently denounced his boss to shift the blame, naming him as the man who ordered the Cools assassination.

However, the police are now

being pressed to explain whether Mr Van der Biest could himself be a fall guy, protecting other, bigger names. No explanation has been given for the resignation of the chief investigator, which has further served to undermine confidence.

Inquiries into the Cools case have been constantly hampered by "the war of the judges" as rival investigators and police forces have fought for territory. Now there fears that such infighting could also have been part of an attempted cover-up.

Section Two, Cover Story

SIGNIFICANT SHORTS

President Bill Clinton, announcing a report on airline safety, asked for \$1bn (£660m) to place bomb-detection devices in airports and bolster anti-terrorism efforts. He ordered immediate criminal background checks of airport workers with access to secure areas, ordered that each piece of luggage be matched with a passenger, promised to sign an executive order making the National Transportation Safety Board the point agency in dealing with families of plane-crash victims, and said the military would provide dogs for security at key airports. *AP - Washington*

Italian health inspectors said they had pulled some 100,000 tubes of mascarpone cheese from shops over a botulism scare linked to the death of Nicola Sgiammo, 15, who died on Saturday after being admitted to hospital in Naples with stomach cramps. His brother and a friend were also seriously ill; the three had eaten home-made tiramisu, which is prepared with the cheese. They are among at least seven certified cases of botulism. *Reuters - Rome*

The Turkish Cypriot leader, Rauf Denktash, urged President Glafcos Clerides of Cyprus to hold talks with him after a Turkish Cypriot soldier was shot dead near the UN-patrolled buffer zone at the weekend. He blamed the Cyprus government for the shooting. He called the assailants "two professionals wearing civilians clothes who used professional means and who escaped to the (Greek Cypriot) south". The Cyprus government has denied Greek Cypriot involvement. *Reuters - Nicosia*

A Commonwealth delegation began talks with Nigerian officials to press the military government to allow an inquiry into human rights and its progress towards returning to civilian rule. The four officials, led by the Commonwealth Deputy Secretary-General, Srina Vasan, went into a meeting behind closed doors in the capital, Abuja. Commonwealth ministers, meeting in London last month, agreed to send the officials to pave the way for a ministerial-level mission after a proposed visit was called off when Nigeria imposed strict conditions. *Reuters - Abuja*

A former army chief, Ehud Barak, said he wanted to run for prime minister in Israeli elections due in four years, and launched a campaign to succeed Shimon Peres as leader of the opposition Labour party. Mr Barak said he would remain a candidate even if it meant facing the present party chairman, Mr Peres in internal party elections for the top spot in June next year. *Reuters - Tel Aviv*

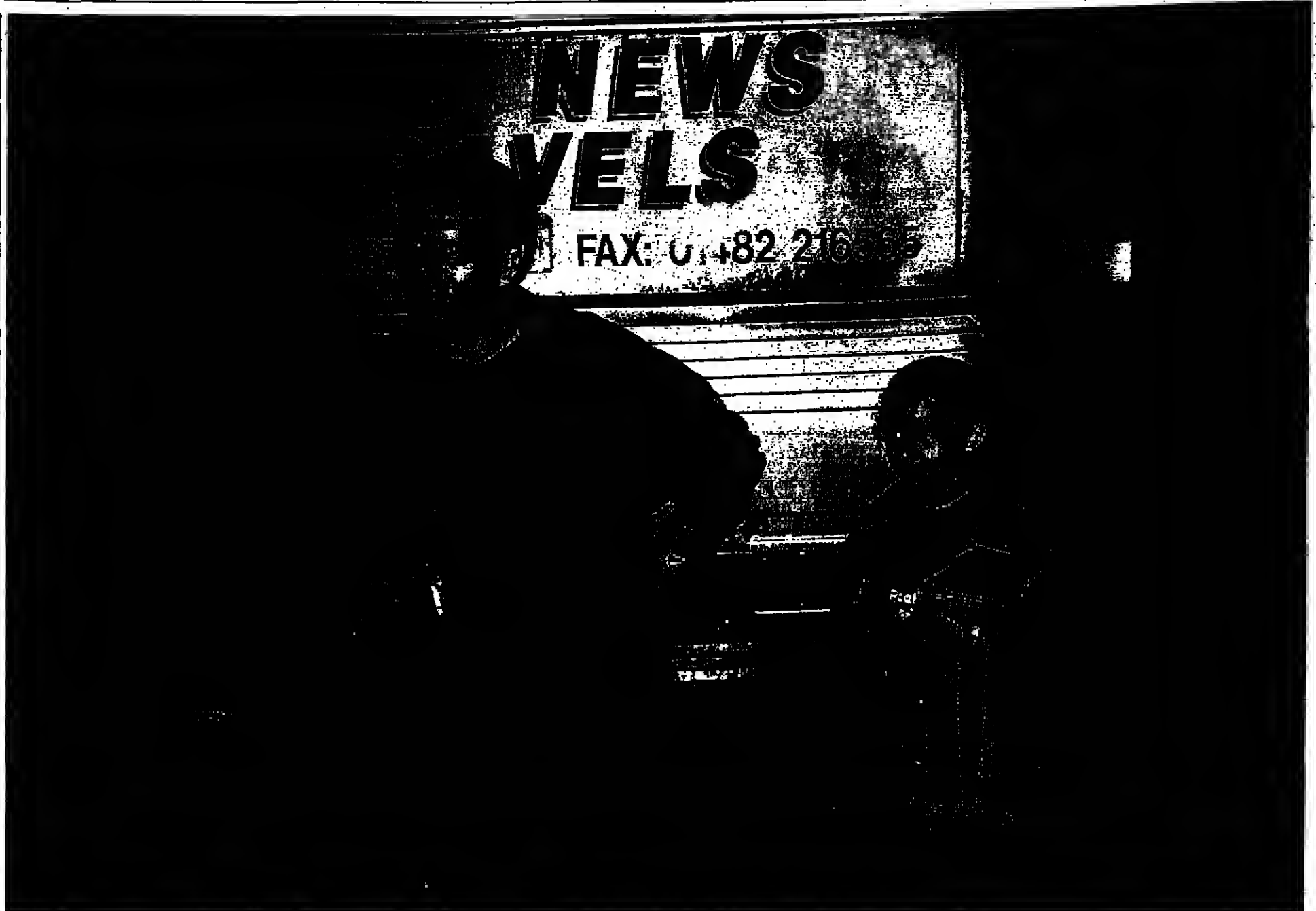
Chancellor Helmut Kohl wants leaders of Nato nations to meet early next summer to discuss opening the alliance to East European countries. He wants to wait until President Boris Yeltsin of Russia had "returned fully to active politics" after heart surgery due late this month, said Peter Hintze, secretary-general of the Christian Democratic Union. *AP - Bonn*

A burning ship carrying almost 70,000 live Australian sheep missing in the Indian Ocean had probably sunk, an Australian livestock official said. However, a scaled-down search for the ship, missing since last week, when its crew abandoned it, would continue. *Reuters - Sydney*

Thousands of panicked Spaniards collapsed TV and radio switches with calls when a newscaster broke in with a "news alert" showing aliens hovering over New York. Telecinco network had planned to reveal yesterday that the "newscasts" were advertisements for the film *Independence Day*, opening in Spain on Friday. *AP - Madrid*

Japanese rightists returned to the disputed Diaoyu Islands to reassert a claim embroiling Japan, Taiwan and China. Taiwan Television aired videotape showing men repairing a makeshift lighthouse first built in July by the Japan Youth Federation. *Reuters - Taipei*

Several soldiers were killed when the warhead of a missile exploded at a base in Komсомolsk-on-Amur in Russia's far east. Sources said it exploded on Sunday outside working hours, when security was minimal, suggesting they had been trying to remove it. *Reuters - Moscow*



Homeward bound: Amir Selmun and Mirna preparing to board the coach yesterday. 'Every month, every year, it will get better,' he said

Photograph: Peter Glasper

Journey from the safety of drab London to a future in the land of ethnic purity

The Selmun family is setting off for a journey more or less into the unknown - they are going home, but to a new town and a new landscape, geographical and political. After four years, they are going back to Bosnia.

The soft green hills and valleys of central Bosnia are scarred by the ruins of villages razed to the ground, with the silhouettes of chimneys standing where there are no roofs. And the old mosaic of peoples wedged in together has dissolved, the country re-made in pools of ethnic purity.

It is hard work, preparing for the trip, packing everything in the west London flat - everything: clothes, books, pictures, beds, sofas, washing machine - that will travel in a removal van to the Selmun's new home in the old city of Travnik.

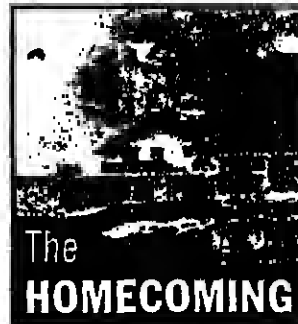
But to the routine stress of moving house is added the emotional strain of preparing the children for a very different life. For the past two or three months, Amir Selmun and his wife, Alma, have tried to

temper the shock that Mirna, 11, and Damir, 6, will feel when they return to the country they have all but forgotten. "We told them, 'You must be ready to see destroyed buildings, but every month, every year, it will get better,'" says Amir.

Now, on a dark and drizzly September morning, dawn still some way off, the family gathers in a hospital car park to meet the coach that will take them home. The scene is horrifyingly familiar to anyone who has been through the Bosnian war: mattresses lying on the wooden gym floor, old women in head-scarves gazing through the coach window, men, women and children laden with baggage.

There, it was the prelude to exile, often at the point of a gun. Here, in Woolwich, south London, it is a moment of hope, which is why the tears come from those left behind and why the travellers on the coach are excited and expectant.

The coach, hired from Good News Travels, has been



The HOMECOMING

organised by the charity Edinburgh Direct Aid, which is paying some £7,000 to take 66 Bosnian citizens and their furniture home. In the gym, Liz McLaughlin, one of the organisers, and Mirsad, a Bosnian worker, plough through the inevitable Balkan paper-work. Some families have smart new blue Bosnian passports stamped in gold with a lily, the national symbol. Others, like the Selmun, are using a temporary travel document, a piece of stiff white paper bearing four, five, six, passport photos. Each

family hands over £45 to pay for the document that authorises the import of furniture and other goods.

"I did not sleep all night," says Amir when we meet at 4.30am for the drive to Woolwich. "It's all lovely, I am so happy, but we are all very tired." We drive past Hyde Park, over the river, through London. Mirna will miss it the most. She is still scared of the Serbs in Bosnia, but confesses: "I'm starting to feel a bit excited." She hopes to come back some time.

Her mother, a charming and beautiful woman who understands English but speaks none, has no regrets. "I'm happy, I'm so glad we have the chance to go back," she says as Mirna translates. "I will miss my [Bosnian] friends, the ones who aren't going back, like my sister, but that's it." She has no worries about returning. "I think it will be for the best - I know what the situation is. My husband's friend in Travnik has telephoned us and we know that Travnik has not been shelled or destroyed."

That is mostly true, but the town that was once the seat of the Turkish viziers is pretty ragged now, filled with refugees from the countryside and no longer, after a vicious war, very welcoming to the Croats and Serbs who used to live with their Muslim neighbours.

Still, it has not yet reached the depths of hatred prevailing in Banja Luka, the Serb-held city in the north that was home, until October 1992, to the Selmun. "I wish we could go back to

Banja Luka but I don't think there is any chance of that right now," says Alma, huddled against the chill morning. "Perhaps in a few years' time..." One can only hope that her desire to lead a normal life, regardless of nationality, will not be crushed in the uneasy post-war ethnic rivalry of modern Bosnia.

The families climb aboard the double-decker coach, complete with lavatories, coffee machines and video screens, for the two-day journey home that includes one night at a ski lodge in Chamonix and one at a civic building in Milan.

Alma is unconcerned about the tedium of the trip. "I have not been able to travel for four years so I'm actually looking forward to it," she says with a smile. Ms McLaughlin gathers up the last scrap of paperwork for this, the third convoy home that Edinburgh Direct Aid has organised, and climbs aboard. At 6.20am, the coach pulls out, heading for Dover, the ferry and home.

Bossi plots birth in Venice for his realm of Padania

Rome cannot ignore 'independence' stunt by separatists, writes Anne Hanley

Rome - On Sunday, Umberto Bossi, the Northern League leader, and his followers gathered in Venice to declare the independence of Padania. Padanian flags will be waved, Padanian passports brandished and Padanian banknotes bearing Mr Bossi's portrait exchanged. The Padanian Greenshirt "army" will be out in force to keep the peace.

The eight Northern regions which are Italy's wealthiest and most highly industrialised will "break away" from the rest of the country, burning television licences along the banks of the River Po in a three-day secessionist extravaganza leading up to the finale in Venice. "An historic day," said Roberto Maroni, the Padania Liberation Committee chief and League Number Two. "A day which will change Italy as we know it. Oh, and thank you to the Press for showing this thing up: if they

hadn't given us so much coverage, no one would be talking about Padania at all."

This latest provocation from Mr Bossi received little media attention. From a man whose fiery, interminable speeches are peppered with sexual innuendo and the kind of insults and threats which would get him arrested in many countries, a mere promise to take his beloved North out of Italy was deemed worthy of only a few column inches.

But by hammering on through the summer recess, providing papers with much-needed copy, Mr Bossi has turned his scheme into something more worrying. After years of writing off this cankerous crowd-charger as the joker of the Italian political world, that same political world

is taking him seriously. Even the generally plegmatic President Oscar Luigi Scalfaro is showing concern. "We have to think about our history in order not to commit the same mistakes or bring about the same tragedies," he wrote this weekend in a letter marking the beginning of the school year.

But with the independence day machine gathering speed, Mr Scalfaro's warnings will fall on deaf ears. In Merlara, west of Venice, League leaders paraded last week and enthusiasm was overwhelming. "There just comes a point where you think enough is enough and we've reached it," said Michele Menarotto, secretary of the League's Padua cell.

"I wasn't interested in politics until recently. But the way the North has been treated: you

can only take so much." According to League-think, a tax system as Byzantine as it is onerous bleeds the wealth of the North to pour it into a black hole in Rome and thence to a grasping, corrupt South which for decades has lived on state hand-outs. This portrait is not so far from the truth.

But feelings which led more than 10 per cent of voters to cast their ballot for the League in spring are too emotionally charged to be followed up by much solid reasoning.

Mr Bossi's determination to introduce separate currencies "is provoked nothing but mirth from economists who point out that the Northern one would shoot up, making Italian products unexportable, while southern Italy, with a depressed currency, would become the Tai-

wan of the Mediterranean. And Mr Bossi's recent letter to the European Commission inquiring how Padania, unquestionably one of Europe's richest areas, should go about joining monetary union without the ball and chain of the poorer South, received such a prompt, albeit dismissive, answer from Brussels that there was a strong suspicion that grey Eurocrats had fallen about laughing before trampling each other in the rush to reply.

Yet it is to Europe that the Northern League will be looking after Sunday's declaration of independence, according to Mr Maroni, who has a grand vision of his party's changing more than just the make-up of Italy. "We have to give this 'Mamma', who has rejected her child, some time, five years or

so," he said. "The whole of the EU is watching us, we are an historic occurrence; we're the first. But others will follow. The EU will eventually become a union of regions, and not a union of outdated nation-states."

Until that happens, it is with the Italian state that the League has to reckon and the Italian state has no intention of allowing its economic powerhouse to slip from its grasp. Not, it should be pointed out, that the Northern League expects it to. In a rare show of realism, most leghisti will admit that the day after the "historic" rally, Italy will carry on much as before.

Despite this, there will be important changes. Mr Maroni maintained. "On Sunday 15th, we'll give a great show of force; after that, our negotiations with Rome will be on a completely different footing. Nothing will be the same as before." On that last point at least, Mr Maroni



Bossi: He believes the Italy's wealthy North is being bled dry by a corrupt, greedy South

Photograph: AP

may be right. If, as expected, 1 million people flock to the banks of the Po for three days of Northern liberation celebrations, Rome will have to sit up and listen, and bend to the demands for greater federalism

which the League launched before upping its stakes to secession. The Po outing may speed up constitutional reform to defuse a phenomenon which, in the future, could become a serious threat to Italian unity.

ملا من الأصل

Slippery customers play hard and fast in land of no rules

Austin - "You're swimming above the eel," said the man on the side of the pool at Barton Springs. I peered down. "How big is it?" He spread his arms. I swam faster.

The pool I go to is no concrete and chlorine contraption. Barton Springs, the soul of Austin, is a natural swimming hole that smells clean and alive, with a hint of green apples. Endangered salamanders reside here, as do ducks, and the eel which is seldom seen. And Barton Springs is now at the centre of political action as Texas heads into the election season.

It has been closed several times with high bacteria levels, attributed to development in the watershed. The City Council passed the Save Our Springs (SOS) ordinance in 1992, limiting building and people piping off water upstream. It was challenged in the courts and defeated in 1994 but an appellate court has just reinstated it.

The battle over the springs and water quality - the envi-

★ TEXAS TALES

Elaine Davenport on her state's progress during the run-up to the US elections

ronment - has determined the fate of many local politicians. One, Max Nofziger, sold flowers on street corners before being elected to the council, where he was apt to vote for the environmental side. His most recent idea was a \$50,000-a-year (£33,300) Pedestrian Coordinator, which was passed and then rescinded after many said the money should be spent on prosaic things such as more police and filling potholes.

Max did not run for re-election and has returned to the freelance life. Fellow environmentalists were surprised to see him peddling petrol-guzzling pick-up trucks on television: "Since there's no Pedestrian Coordinator here in Austin, you're going to need a new truck," he gins.

Max's stint illustrates the first of three cardinal rules of Texas politics: There are no Rules. The second rule is Never play by the Rules, which is illustrated by the local conservatives' fair-haired boy Terry Keel, who will unpin his sheriff's badge and try in November for a state-legislature seat. He was the first Republican elected Travis County Sheriff and is leading the county effort to elect Bob Dole president. However, Mr Keel has found himself on the wrong end of defamation, civil-rights and wrongful-arrest suits which cost taxpayers big bucks. The local paper called him a "self-promoting bully" but he points out how hard it is to do the conservative thing in a county administration chock-a-block with Democrats out to get him.

The seat he seeks came vacant earlier this year and a special election was called. Mr Keel did not want to forgo his \$81,720 salary for those months, so he did not run and instead got his mother, a retired nurse, to try for the unexpired term, and she won. Her televised victory speech praising her boy for helping her campaign was a two-hanky experience.

The race for Travis County District Attorney (prosecutor), illustrates the third rule of Texas politics: make the Rules. The incumbent, Ronnie Earle, a Democrat, recently obtained the conviction of a 12-year-old black girl, Lareasha Murray, for "intentional injury to a child" after first charging her with capital murder.

A two-year-old at an unlicensed day-care centre in the home of Lareasha's grandparents had died while in the 12-year-old's care. Blacks said that she was tried quickly and thrown into a juvenile facility because of her colour and because she is poor and because Mr Earle wanted to appear tough on juvenile crime.

They held a fund-raiser to hire a lawyer for the appeal. Mr Earle's detractors also accuse him of politicking. Well, gosh. They need to brush up on the Rules - There are no Rules. Never play by the Rules and I make the Rules. All of which will be even more evident in the run-up to 5 November. We all might need a dip in Barton Springs.

Fighting in Iraq: Guerrillas abandon last stronghold of Sulaymaniyah as Iranian support fails to materialise

Key city falls to Iraqi-backed Kurds

HUGH POPE
Istanbul

The conflict in Iraqi Kurdistan escalated yesterday, as the faction backed by Baghdad was reported to have seized a key city. With Masoud Barzani's guerrillas advancing unopposed along the mountain roads of Iraqi Kurdistan, cadres of Jalal Talabani's retreating Patriotic Union of Kurdistan (PUK) were yesterday reported to be melting away from their last stronghold, the eastern city of Sulaymaniyah.

Mr Barzani's Kurdistan Democratic Party (KDP) was backed by Iraqi firepower when it launched its blitzkrieg seizure of the Iraqi Kurdistan capital of Arbil on 31 August, but there has been no further confirmation of frantic PUK allegations of direct Iraqi involvement.

The United States has also played down the reports. The US Defense Secretary, William Perry, said some Iraqi troops "are still nearby and still dangerous" but that "we should not be in-

involved in civil war in the north". The KDP met little resistance when it started pushing further east last Thursday. By nightfall yesterday a swathe of territory and strategic roads north of Sulaymaniyah had fallen into KDP hands, including the Balisan valley and Raniya, said KDP spokesman Hoshiyar Zibari. Large numbers of PUK guerrillas had surrendered, Mr

Zibari said, adding: "The fall of Sulaymaniyah is imminent." The KDP claimed that there had been an anti-PUK uprising in the city before the KDP's expected arrival, but one aid worker in the city told the BBC that there had been no fighting. Confusion surrounded the number of refugees fleeing from Sulaymaniyah, which, like the capital, Arbil, has been

solely run by the PUK since clashes broke out with the KDP more than two years ago. Some reports said those leaving were mostly cadres of the PUK, while others said frightened civilians were also numerous.

A Reuters reporter who visited the town of Koysujak, a historically pro-PUK town captured by the KDP on Sunday, said that many people there have stayed,

If the KDP succeeds in encircling Sulaymaniyah as it surrounded Arbil, it seems likely that a major refugee crisis would not arise.

KDP forces advancing from the west were expected to link up soon with KDP forces near the eastern Iranian border and the town of Qaladiza. Some reports said the important Dukan Dam had already been captured

with its hydro-electric plant that supplies power to most of eastern Iraqi Kurdistan, including Arbil. The city's 1 million people have been without power or water for nine days. Mr Talabani's last desperate bet on Iranian assistance seemed to have failed. The KDP alleged he had withdrawn to the Iranian border town of Penjin with his closest retainers.

"We have now taken Choman in the Hajj Omran valley, where there were previously Iranian forces. They must have withdrawn. The Iranians are not going to bet on a losing horse. That is how power politics works," one senior KDP official said, admitting to his own surprise at how quickly the KDP were advancing.

The politics of a future KDP-dominated administration would probably shift towards federal re-integration with Iraq, even though many Iraqi Kurds remain deeply antagonistic towards Saddam Hussein and fearful of any return of his secret police.

Thursday, Mr Talabani said that he thought this was part of a realignment that would link Baghdad, Iraqi Kurdistan and the new administration of Turkey that is pushing for closer trading relations with Iraq. "It is a kind of complicity from the Kurds. The Kurds are encouraging the relationship between Masoud and Saddam," Letters, page 11

Opposition group crumbles in face of massacres

PATRICK COCKBURN

For four years the Iraqi National Congress has tried to rally opposition to Saddam Hussein. Yesterday Ghannim Jawad, one of its leaders, sounded beleaguered as Kurdish Democratic Party soldiers, newly allied to Baghdad, closed in on the group's last base in Sulaymaniyah where INC members have been rallying after losing more than 100 dead in massacres in the last 10 days.

"Our main object is to try to stay in Iraq," said Mr Jawad, a veteran of the INC, yesterday. "There is chaos, but we believe we lost 100 people killed at Qashteppe. Another 19 persons were executed in one of our offices in Arbil." He said that 150 KDP members were in a new camp near Sulaymaniyah and another 200 were on Iraq's border with Syria.

The INC says it will fight on but its main Kurdish ally, the Patriotic Union of Kurdistan, is being driven from the battlefield. An Iraqi political observer said: "It will be difficult for the INC to get recruits in future because its men were picked up just like that by the Iraqis. Ahmed Chalabi, the INC leader, also welcomed the American missile attacks on Iraq last week, which will not be popular among ordinary Iraqis."

Laila Kubba, a founder member of the organisation, said yesterday: "The INC has fallen apart and it will not re-

emerge under its present leadership or structures." He added: "The gamble on the Americans has not paid off." Other opposition leaders noted that the US had not even raised \$4m (£2.6m) earlier this year to pay for the INC to monitor a cease-fire between the KDP and PUK. But the greatest difficulty for the INC is the fact that Masoud Barzani, the leader of the KDP, is also an INC leader. The fact that he allied himself with Iraq and allowed his former allies in

the INC to be caught by surprise and massacred shows how far the organisation had already ceased to be an umbrella for all the Iraqi opposition. The INC was yesterday denying that it was supported by the CIA, though its appeal to the Kurds was its strong connection in Washington. In the course of this year the CIA has thrown its weight behind another Iraqi dissident organisation, the Iraqi National Accord, reportedly contributing \$6m to them.



In memoriam: Chinese people queue at the Mao Zedong Mausoleum in Tiananmen Square to view the leader's remains on the 20th anniversary of his death

Photograph: AFP

'In the days of Chairman Mao, people were short of money. Now they are short of virtue'

TERESA POOLE
Peking

Exactly 20 years ago yesterday, Ms Chen was working in a Peking clothes factory when a sombre radio announcement came over the loudspeakers. Chairman Mao was dead, the stunned workers were told.

"I felt very depressed," she remembers. "It seemed as if the sky would collapse and the country was coming to an end. Everyone cried; some loudly, most quietly."

Ms Chen, now 58, was a schoolteacher before she was sent to work in the factory. She had witnessed the brutality of Mao's Cultural Revolution, yet was genuinely upset when the Great Helmsman died. "At that time, I still loved him," she says.

Most Chinese people over the age of 35 can remember how and where they heard that Mao

was dead, just as Americans recall the assassination of John F. Kennedy. Within weeks, the Gang of Four had been arrested, and the wheels set in motion to propel forward Deng Xiaoping, whose economic reforms have since transformed the country.

How then did China mark yesterday's 20th anniversary of Mao's death? Officially, it seems, with restraint. The chairman's face stared out from the front pages of newspapers, and state publishers issued three new volumes of his poems and letters.

In Wuhan city, central China, an exhibition featured 100 items from the life and times of Chairman Mao, from his table tennis bat to a much-repaired night shirt. In Peking's Concert Hall, there were performances of revolutionary songs, such as "Striding Forward on the Soc-

ialist Road". And in Tiananmen Square, the visitors trooped through the Mao Zedong Mausoleum as usual, staring sceptically at his waxy remains.

It is a tricky day for the authorities. Mao's Great Leap Forward, which killed 30 million people in the late Fifties, and the Cultural Revolution are still off-limits for historical analysis, aside from the official verdict on Mao as having been 70 per cent correct, 30 per cent mistaken.

Not is it admitted that Mr Deng's economic successes have been based on the sort of common-sense policies which Mao rejected. Such notions are sacrilege, for the modern imperial lineage, from Mao to Mr Deng and now to President Jiang Zemin, remains the backbone of the party's - and of Mr Jiang's - claim to legitimacy.

Ms Chen takes a more down-

to-earth view of the past 20 years. Asked about improvements, she says: "Now you do not have to buy things with [ration] coupons - like food, clothes and oil. There is a better variety of goods, and housing has also improved."

"There is more freedom of speech, we can condemn the Communist Party in private."

No one wants to turn back the clock, but greater freedom means more complaints about social ills. Ms Chen's views are typical for her generation. "There are a lot of bad things now - corruption, crime, prostitution, gambling," she says. "Twenty years ago, these things had been eliminated; now they come back. When I go out, I worry about the house being robbed, and what may happen to me on the street. In the past, people were short of money, now they are short of virtue."

Her husband, 60, was equally forthright. Nowadays, the government was like "a dead pig" which was "not afraid of scalding water", by which he meant that it was impervious



Place of honour: Mao portrayed in a propaganda poster

"And there is a privileged class now [of corrupt] officials. Twenty years ago, if you complained, there was some justice; there was somewhere to complain. Before, people trusted the party. Now everybody curses them, and does not respect the senior leaders."

Her husband, 60, was equally forthright. Nowadays, the government was like "a dead pig" which was "not afraid of scalding water", by which he meant that it was impervious

to complaints from ordinary people. China's leaders are well aware of popular dissatisfaction, and are trying to appease it. This year's "Yanhuo" (Strike Hard) anti-crime crackdown, for instance, has been extended indefinitely.

Meanwhile, social values - or rather Mr Jiang's much-vaunted "spiritual civilisation" - will be the theme of this month's annual Communist Party plenum. Just the sort of rallying call Mao would have applauded.

Hawaii on collision course over gay marriages

DAVID USBORNE
Honolulu

As a long-awaited court hearing opens in Hawaii this morning, many expect will lead swiftly to the recognition by the state of same-sex marriages. The United States Senate is expected today to adopt legislation to impede the spread of legalised homosexual wedlock to the other 49 states.

The case centres on a lawsuit introduced five years ago against the state by three gay couples seeking the right to tie the knot in full equality with heterosexuals. In 1993, the Hawaiian Supreme Court issued a preliminary ruling against the state, saying it had violated the anti-

discrimination clauses of its constitution by refusing to issue marriage licences to the plaintiffs. Given a final chance in Honolulu today to prove a "compelling reason" why gays should not be allowed to marry, the state is expected to argue that legalising single-sex wedlock could harm the welfare of children that gay couples may wish to raise. Most legal experts doubt that the state will prevail, which could mean final vindication for the plaintiffs some time next year.

That prospect has galvanised conservatives on the mainland, who predict that gays will flood to Hawaii to marry. Because of the "full faith and credit" clauses of the US constitution, which requires all 50 states to recognise the legal decisions of each other, there is the theoretical probability at least that the gays who marry in Hawaii could then claim to be married throughout the union.

The bill before the US Senate, which the House of Representatives approved last month, will formally define marriage as a "union between one man and one woman". Called the "Defence of Marriage Act" (DOMA), it will encourage individual states to fight not to recognise gay marriages and ensure that gay couples are denied any federal tax benefits extended to heterosexual couples.

Joe Melillo and Pat Lagon, one of the couples who lodged the suit, expressed dismay at the reaction of mainland politicians. "I think the whole thing has become overblown," Mr Melillo said. "We are not trying to change anyone else's life. People will still be able to procreate and marry as they always have. That is their choice and this our choice. We just want to get married and live happily ever after just like everyone else."

Emotions have none the less been running high in Washington and in state houses across America. At the last count, 15 state legislatures had passed bills, all of dubious constitutional legality, seeking to ig-

nore the full faith and credit provisions in the case of gay marriage. At the same time, however, similar bills have failed in 19 other states.

"What is at stake in this controversy?" Charles Canady, a Republican, asked during the House of Representatives debate. "Nothing less than our collective moral understanding - as expressed in the law - of the essential nature of the family, the fundamental building block of society. This is far from a political issue." President Bill Clinton, a declared gay rights defender, has said he will sign the DOMA bill once passed by the Congress.

Dan Foley, the lawyer for the three couples, equates the

Hawaii case with the groundbreaking civil rights rulings of Brown versus the Board of Education, which decreed desegregation in schools and Roe versus Wade, which established the right of women to seek abortions. "This will be the biggest civil rights decision ever to come out of this state," he said. Pointing to the relatively humble backgrounds of Mr Melillo and Mr Lagon, who run a T-shirt printing business, he added: "This is not a plot to destroy Western society or bring about some cultural meltdown."

The two men sent victory "We hope to marry on the day of the final decision," Mr Melillo said. They also hope to raise a child.

Britain, Ukraine and Poland make pact on defence

CHRISTOPHER BELLAMY
Lviv

A trilateral defence arrangement between Britain, Poland and Ukraine has been unveiled, as 3,500 British troops in Poland carry out the largest armoured exercise since the Gulf War. They will conduct manoeuvres in the wide spaces of a former member of the Warsaw Pact which Nato spent 35 years preparing to fight.

The British Army is delighted with the new training facilities among the rolling woodland and lakes of Prussia, which dwarf anything available in Britain or Germany, where it is increasingly cramped. But the deal has a greater importance.

The arrangement bridges the gap between Poland - a leading candidate for Nato membership - and Ukraine, which has until recently opposed expansion of Nato and is unlikely to join. It also gives Britain a foothold in eastern Europe.

Poland and Ukraine have a joint population of more than 80 million - the same as Germany - and, at 450,000-strong, Ukraine's armed forces are Europe's largest after Russia's and Turkey's.

Ukraine's Defence Minister, Lieutenant General Oleksandr Kuzmuk, signalled that Ukraine's opposition to Nato's eastward expansion had softened. "It is the sovereign right of any country to decide to which bloc they want to belong to. For us, it is the will of our president, parliament and the Ukrainian nation that we are a non-bloc nation," he said. "But we are for cooperation with any of our neighbours, east, north or west." The Polish Defence Minister, Stanislaw Dobrzanski, stressed that Poland's desire to be in Nato was not aimed "to be against anyone or threaten anyone".

Ukraine has also been concerned that the extension of the Nato nuclear guarantee to Poland might mean nuclear weapons being based on Polish soil, although with modern nuclear weapons that would not be necessary. "Ukraine was the third nuclear state in size [after the US and Russia] but it has relinquished its nuclear status," Li Gen Kuzmuk, a former Soviet tank brigade commander, said. "So you must take account of Ukraine's view that nuclear weapons should remain where they are now."

Even more extraordinary than the reconciliation between former Nato and Warsaw Pact enemies is the warming of relations between Poland and Ukraine, after centuries of territorial disputes and bloodshed.

The Ukrainian and Polish militaries were joined by the British armed forces minister, Nicholas Soames. They confirmed they had agreed a trilateral defence arrangement which would include the use of each other's training facilities and a joint parachute exercise. A joint Polish-Ukrainian battalion is to be set up to specialise in peacekeeping operations.

The most radical innovation may be the British use of air-to-ground ranges in Ukraine. The British were delighted with the 400-square-kilometre training area. After nine days of training by the individual armoured battle groups (about 1,000 troops each), they combine for a four-day rehearsal of full armoured warfare.

n obituaries / gazette

John Cheek



Cheek, right, with the British ambassador to the United Nations, Sir Anthony Parsons, addressing a UN press conference during the Falklands war in 1982

In John Cheek the Falkland Islands have lost a man who championed their cause internationally with great impact during the Argentine invasion of 1982 and promised much further service to his fellow islanders for the future. That promise has been cruelly cut short, but he has left a lasting beneficial legacy.

Though he won fame worldwide for his effective exposition of the Falklands cause in the face of Argentina's sovereignty claim, Cheek was not a man to dwell on the past. While he saw continuing strong links with Britain as a sure shield against Argentina's persistent predatory ambitions, he was a determined advocate of even greater control by Falkland Islanders over their own affairs. He was anxious that new reforms to the Constitution should be in place by next year's Falklands elections. He was keen to have much more open government to keep Islanders informed.

If ever the Constitution were to provide for a prime minister-type role, Cheek might well have been the first Falkland Islander to fill it, as, to all intents and purposes, he took on the role of Foreign Minister in 1982. It was in the crisis of that year, as a fairly new member of the Falklands Legislative Council, that he played an important part in the Falklands information campaign in the United Kingdom, where he was on a technical course at the time of the Argentine invasion.

John Cheek combined the

rugged, self-reliant, down-to-earth qualities of the typical Falkland Islander with an international outlook which enabled him to articulate the views and hopes of the islanders to the outside world with quiet but effective oratory and personal integrity which won wide support for the Falklands cause. He represented the islands no fewer than 12 times at the United Nations and became an accomplished television interviewee in Britain and the United States. Here was a man, patiently honest and reliable, whom viewers knew instinctively they could trust.

John Cheek was not just a man of words. He was a man of action — a pragmatist in government and in business. He became one of the new breed of local entrepreneurs and businessmen, pioneering Falklands participation in the fishing industry, the basis of the island's new-found prosperity. In 1987, with a former fellow Legislative Councillor, Stuart Wallace, he formed the Falklands' first local fishing company, Fortuna Ltd. He was impatient with early government delays in supporting development of a local fishing industry and consequent loss of revenue-raising opportunities.

As a member of the Islands Oil Management Team, he contributed level-headed practical advice as the Falklands prepared for what may prove to be another lucrative industry, with oil company exploration bids about to be given the go-ahead to search for offshore oil. He

brought wise counsel to the controversial issue of negotiating last year's historical oil agreement with Argentina, arguing that an accord would encourage oil industry interest while insisting that it must in no way impinge upon Falklands' sovereignty.

In tune with overwhelming opinion in the islands, he advocated that, while Argentina continues its claims to the islands, contacts must be limited only to discussions essential to the economic well-being of the Falklands that would be normal between neighbouring na-

tions with adjoining economic resources. "We obviously have to be as strong as ever", he said, "in protecting our right of self-determination and lobbying to maintain our friends and gaining further support."

His qualities and strength of character were forged in his early life in the Falklands farming community, in the Antarctic, and as a Merchant Navy officer. The son of a shepherd, Fred Cheek, he was born on a remote farm at Hill Cove, in West Falklands, in 1939, and went to school in Stanley. He joined

the Falkland Islands Dependencies Survey (FIDS), forerunner of the British Antarctic Survey, as a radio operator, and went to Antarctica at the early age of 19, serving an unusually long initial stint of three years at Hope Bay and later at Stonington Base.

He paid his own way through technical college at Colwyn Bay in North Wales to qualify as a ship's radio officer in the Merchant Navy, returning to the Falklands in 1966 to work in the Government Radio Station. He served for many years on the Legislative and Executive Councils. The day he died the Falklands Radio carried a broadcast he had recorded only the previous day on his latest actions as a Councillor.

As a member of the legislature in such a small community of only 2,000 people, he had much beneficial influence on most aspects of island life, especially education and training, health and hospitals, and the welfare of old people. Having worked closely with the London-based Falkland Islands Association in 1982, he remained a staunch supporter of its voluntary work in supporting the Falklands' right to self-determination.

When I last spoke to him a short time ago, he was full of plans for the future, despite signs that he was losing his long years of struggle against cancer. He bore his illness with fortitude, travelling to Britain for treatment, fitting it in with his busy life of legislative duties and business interests.

Harold Britley

John Cheek, businessman and local politician: born Hill Cove, Falkland Islands 18 November 1939; married Jan Biggs (two daughters); died Stanley, Falkland Islands 3 September 1996.

Wolfe Morris



Morris: engagingly exotic

Was there any limit to Wolfe Morris's range as a character actor as long as the character was not ordinary? In a career which stretched over half a century in plays and television drama and a handful of films, he may have turned up as no one in particular once or twice just to fill a corner, but it seems doubtful.

If Wolfe Morris was cast as a nonentity, he could be counted on to turn it into something colourful, distinctive, interesting and arresting.

Not in the upstager's sense of seizing the limelight when it was meant for others — though that may have happened from time to time in a singularly restless career — but because he had such striking looks, strong eyes, a sturdy build, a swarthy complexion and a reverberant voice which, together, kept our attention whenever he came on.

The Queen Mother, who she was Queen, never forgot her first sight of him as a graduate at the Royal Academy of Dramatic Art where he wooed the Forbes Robertson and Kendal prizes. Her Majesty saw him as Richard III. I should like to have seen his Othello. But, in these politically correct times, Morris would no doubt be disqualified on numerous grounds, religious as well as racial, for there was nothing Moorish in his roots as far as is known.

Not many actors, however, were more engagingly exotic or

more meticulous in wielding that exoticism. Hence his fascinating gallery of foreigners — from the Arab boy in André Gide's *The Immoralist* in one of Peter Hall's earliest London productions at the Arts Theatre Club, to a fearful, roaring, overwheeled Pozzo in a pin-striped suit and bowler hat for the Royal Exchange, Manchester, in 1980, or a delicate portrait of Professor Godbole in *A Passage to India* (Comedy, 1960) in which he convinced E.M. Forster that he was Indian.

What enabled Morris to convince so many of us that he was what he was — even when in fact he must have breached today's abysmal standards of political correctness as a rabbi in *The Dybbuk* — was the pains he took with every role. His daughter, Shona, used to say that for her father acting was a religion; and why not?

Bigots, braggarts, bullies and

other obsessive figures in the margins of any play contribute vitally to the general picture; and Wolfe Morris was nothing if not picture-perfect. But he never treated stereotypes as stereotypes.

Hence the singularity of all his strangers — Japanese, Chinese, Mexicans, Asians, Germans and Boers. The gallery began for me at the old Birmingham Rep in the early 1960s in the British premiere of the Broadway derivation of a famous film, *Rashomon*. As the rapist-bandit encountered in a shadowy Japanese forest, Morris filled the stage with mystery and dread with his grunts, croaks, squeals and rapid short jumps. Had he been listed in the programme as *Wo Mo* we must have believed it.

Soon after that, though, he turned up as Karl Heins Fessel, a fictitious post-war German bigwig in Robert Muller's *Night of the Living Dead*, a dark warning to the West End against trusting Germany to behave itself if Hitler or his like were to pop up again. Morris's character had evidently once backed the dictator. The question was: might he not be ready to do so again? And, as usual, the actor added shivers to the hypothesis.

It was, though, on the whole as an Oriental or definitely odd-bodies that Morris came to the minds of West End casting directors (*Tea House of the August Moon*, *Charley's Aunt*, *The Case of the Oily Valentine*) or in early television plays like Michael

Dyne's *Two Ducks on a Pond*, James Kirkup's *The Peach Garden* or (as a simple Mexican basketmaker exploited by Sam Wanamaker's American businessman) Ted Allen's *The Legend of Pelepe*.

Even as a Shakespearean, Websterian or Ibsenite, the versatile Morris made his mark — part of that helpless scene-stealing tendency? One cannot imagine Robert Helpmann or Tyrone Guthrie letting him get away with that kind of thing.

He made his London debut after the usual spell in rep with Margaret Rawlings and Robert Helpmann in their classical season at the Duchess (1947), as Camillo in *The White Devil*; and for Guthrie in the Old Vic's last decade as our leading home of Shakespeare, he played, according to one of the more perceptive critics of the time, two tiny parts which he turned into "small perfections". The first was "a delicate and deeply moved" sketch of Griffiths in *Henry VIII*; and the second was a "beautifully" narrated Wolsey's death "beautifully". As recently as 1990 he was acting in Ibsen's *When We Dead Awaken* (*Almásida*) with Claire Bloom, and he himself played John Gabriel Borkman twice some way from London.

We cannot wonder if his best work was often lost, therefore, to critical view. He was not the sort of actor to stick around the West End, even in its relative heyday, if there was something to get his teeth into elsewhere.

He toured for the Royal Shakespeare Company or acted with the Bristol Old Vic or the Glasgow Citizens, or the Royal Exchange, where he made a name in Samuel Beckett (*End Game* and *Waiting for Godot*, both of which transferred to London); and he also worked with Anthony Quayle's heroic Compass Theatre on tour in *The Government Inspector*.

Therein perhaps lies a clue to the actor's Russian-Jewish roots and his theatrical talent. His father fled to Britain from the Tsar as a small boy at the turn of the century. He had been on the East End balls in their heyday before he had to become a businessman; and his mother, according to legend, was a most joyously audible mezzo-soprano at Jewish weddings. Yet it seems odd that her son's best-known role on television — where he acted in *The Dybbuk* — was Thomas Cromwell in *The Six Wives of Henry VIII*. In preparation for it, he visited, with his daughter, a number of English castles to study the characters' portraits.

Not perhaps so remarkable that it should have been his best-known role. He had always been a student actor. And he played as cast, as often as oot to perfection.

Adam Benedict

Wolfe Murray, actor: born Portsmouth 5 January 1925; married (one daughter); died London 21 July 1996.

Bruce Liddington

The actor Bruce Liddington packed a full and sadly short life with service to others, both in his work with the Liberal Democrats and, since 1995, as the National Chair of the charity Families Need Fathers, an organisation dedicated to keeping fathers in contact with their children. Had he lived, there is little doubt that he would have become a leading national figure in the field of child welfare.

In 1978 Liddington had married Sheila Johnson and, although separated 11 years later, they both set an example to others in the way they selflessly put aside their differences to bring up their daughter Claire true to the principles of shared parenting. He was never divorced and still wore his wedding ring.

He first contacted Families Need Fathers for advice following their separation in 1989. Families Need Fathers had long been tattered with the hush of "fringe pressure group of angry men" at odds with current social philosophy. Liddington saw that it was the messenger, not the message, which needed changing. Initially as Chairman of the London Branch and using his personal charm, coupled with an erudite and balanced approach, he set out to reform public opinion, later becoming the organisation's national media spokesman.

He welcomed the 1989 Children's Act and urged fathers to support it and work within it. He abhorred the civil justice system that turned a blind eye to the principles of shared parenting enshrined within the Act. He fought against decisions that refused fathers proper access to their children, believing that these could result in permanent insecurity for the children and lifelong misery for the father. He acted frequently as a lay supporter to fathers in court, representing with increasing success. He lobbied unceasingly for settlements based on a

long-term view rather than the common short-term expediency of satisfying emotional demands made to establish a status quo, practically irreversible later. Liddington's anger, slow to kindle, was reserved for those who perpetuated a system which imprisons a father for trying to see his children, yet places no penalty on a mother who ignores a court order to let him do so. He hated the pejorative term "absent father".

Liddington could not agree with the Child Support Act of 1991 and the way it was enforced by the Child Support Agency. While he did not contest the proper duty of a father to maintain his children, he questioned the crude formula for its operation. The real hardship brought to both father and children by a refusal to take account of travelling and accommodation expenses if the child had been moved hundreds of miles away spurred his campaign for amendment. His sound argument played a vital role in the Government's recent review of the Act.

Liddington was born in Harrow in 1950 and educated at Harrow County Grammar School. He decided to be an actor at an early stage and trained in London, at the Webber Douglas Academy in Kensington, from 1970 to 1973. His repertory skills brought him to television and he appeared in a number of popular series, including *Z Cars*, *Crossroads*, *Dangerfield* and *Bergerac*. In film his early success was as Doubling Thomas in Zeffirelli's *Jesus of Nazareth* (1977). He next was seen in Richard Attenborough's film *Love and War*, which is still in production. He was an agile fencer and a strong horseman, both attributes being used in many an exciting film or television scene. But his other great attribute was his voice and, as with his charity work, he was on the cusp of public success.

His dark, rich, mellow tones, seemingly filled with wit and wisdom, delighted listeners to Radio 4 series. He loved his work.

In politics, Liddington was an active Liberal and part of the team that developed the Liberal Democrats in the Tory stronghold of Harrow into the dominant party on the local council. Knowing that he himself would not have time to undertake full-time council duties, he would have pleasure in standing in no-bole wards so as to give the opposition the best possible run for their money.

Bruce Liddington was driven



Liddington: families need fathers

by his conviction that, properly handled, family breakdown need not bring long-term destructive pain and suffering to children and parents. He believed that, while people's natural instincts were for good, our adversarial legal system thrived on bringing out the worst in those set against each other. His last battle was against the concept of "no fault" divorce. He felt the vows of marriage were too important to be dismissed so lightly.

Charles Kenyon

Bruce Howard Liddington, actor and campaigner: born 30 January 1950; married 1978 Sheila Johnson (one daughter); died 5 August 1996.

Charles Hadfield

When Charles Hadfield joined the Oxford University Press, writes Eileen Mable [further to the obituary by Anthony Burton, 8 August], he met not only his future wife, Alice Mary Miller, but also the writer, poet and theologian Charles

Williams, who worked at the press as an editor and adviser until his death in 1945.

Like Alice Mary (who became Charles Williams's biographer), Charles Hadfield was deeply influenced by Williams himself and by his explication

of orthodox Christian doctrine. The Hadfields' marriage was grounded in a shared Christian faith and nourished by the practical application of Charles Williams's understanding of romantic theology, co-inherence and exchange in his lives.

In 1975 the Hadfields took the initiative in founding the Charles Williams Society, to which they gave their full support for many years. Although more recently Charles Hadfield no longer took an active part in the society's af-

fairs, he continued to share most generously with those who asked, be they scholars or hesitant new readers, his recollections of Charles Williams and his detailed and lucidly stated understanding of his writings.

Births, Marriages & Deaths

BIRTHS

KITTLE: On 6 September 1996, to Susan and Denyer, a son, Samuel John Matthews.

Announcements for Gazette BIRTHS, MARRIAGES & DEATHS (Births, Adoptions, Marriages, Deaths, Memorial services, Wedding anniversaries, in Memoriam) should be sent in writing to the Gazette Editor, The Independent, 1 Canada Square, Canary Wharf, London E14 5DL, telephoned to 0171-233 2011 (24-hour answering machine 0171-233 2012) or faxed to 0171-233 2010, and are charged at £10 a line (VAT extra). OTHER Gazette announcements (notice, functions, forthcoming marriages, Marriages) must be submitted in writing (or faxed) and are charged at £10 a line (VAT extra). They should be accompanied by a daytime telephone number.

Wills

Clifford Frank Henton, of Cyncoed, Cardiff, left estate valued at £2,333,789 net.
William Stevens, of London N12, left estate valued at £1,080,426 net.
Everard Stanley Willis, of Burton Rossett, Chwyd, left estate valued at £1,078,958 net.

Birthdays

Mr Michael Buldr (Michael Barry), radio executive and cook, 53; Mr Thomas Allen, operatic baritone, 52; Mrs Beryl Cook, painter, 70; Miss Louise Croll, former ambassador to Costa Rica, 61; Mr Brian Donohue MP, 48; Mr Ted Edgar, showjumper, 58; Mr John Entwistle, rock guitarist, 52; Mr Jose Feliciano, singer, 51; Miss Judy Geeson, actress, 48; Professor Emeritus Herbert Giles, Professor Emeritus of Tropical Medicine, Liverpool University, 75; Mr David Hamilton, disc jockey, 57; Mr Christopher Hogwood, harpsichordist, 55; Mr Niall Macdonald QC, international jurist, 80; Major John Markill Crichton Maitland, former Lord-Lieutenant of Renfrewshire, 71; The Very Rev Michael Mayne, Dean of Westminster, 67; Mr Frederick Moorfoot, former chairman, Kodak, 80; Mr Norman Morris, choreographer, 66; Lord Nolan, a Lord of Appeal in Ordinary, 68; Mr Neville Owens, former chief constable, Lincolnshire Police Force, 58; Mr Arnold Palmer, golfer, 67; General Sir Anthony Read, former Governor of the Royal Hospital, Chelsea, 83; Sir Peter Reynolds, former chairman, Rankin Horis McDougall plc, 67; Mr Denis Richards, air historian, 86; Dame Betty Ridley, former Third Church Estates Commissioner, 87; Mr Bill Rogers, golfer, 45; Sir Peter Singer, High Court judge, 52; Dr Brian Smith, chairman, BAA, 68; Sir Robert Smith, chairman, Alliance and Second Alliance Trust, 69; Sir Rupert Speir, former MP, 86; Professor Carol Weight, painter and art teacher, 88; Mr Robert Wise, film di-

rector and producer, 82; Miss Fay Wray, actress, 89.

Anniversaries

BIRTHS: Quentin Massys, painter, 1466; Pope Julius III, 1487; Thomas Sydenham, physician, 1624; John Turberville Needham, priest and scientist, 1713; Niccolò Jommelli, composer, 1714; Giovanni Domenico Tiepolo, painter and engraver, 1727; Sir John Soane, architect, 1753; Mungo Park, explorer of Africa, 1771; Jacques Boucher de Crèvecœur de Perthes, archaeologist, 1788; François Benoist, organist and composer, 1794; Philip Gilbert Hamerton, artist and author, 1834; Sir John Robert Seeley, historian and essayist, 1834; Charles Sanders Peirce, physicist and mathematician, 1839; Robert Koldewey, archaeologist, 1853; Jeppe Aakjær, poet and novelist, 1866; Vibhaji Rangitsinghi, Maharaja of Nawangan, cricketer, 1872; Franz Werfel, novelist and poet, 1890; Arthur Holly Compton, physicist, 1892; Bessie Love (Dunstan Horton), actress, 1898; Cyril Verdon Conolly, author, journalist and critic, 1903; Gwendoline Watford, actress, 1927; Deaths: Louis IV (d'Outremere), King of France, 954; Dr Edward Pococke, scholar and orientalist, 1691; Dr Thomas Sheridan, scholar and translator, 1738; Mary Wollstonecraft, Godwin, feminist, 1797; Johana Dominica Fimililo, painter and art historian, 1821; Ligo Foscolo, poet, 1827; Captain William Hobson, first Governor of New Zealand, 1842; George Bennham, botanist, 1884; Wilfrid Scawen Blunt, traveller, politician and poet, 1922.

Arthur Reed Ropes ("Addan Ross"), lyricist and librettist, 1933; Charles Crutt, founder of Crutt's dog show, 1938; Felix Bloch, physicist, 1983; Balharraz Johannes Vorster, former prime minister and president of South Africa, 1983. On this day: the English defeated the Scots at the Battle of Pinkie, 1547; the Battle of Lake Erie was fought when Commodore Oliver H. Perry defeated the British fleet, 1813; Simon Bolivar became the dictator of Peru, 1823; the Duke of York's Theatre, London, opened (as the "Theatrical Square"), 1892; the first London production of the opera *The Chocolate Soldier* was presented, 1918; the first motorway (autobahn) was completed in Germany, 1921; in the first London production of the musical show *Sally* was presented, 1921; in Norway, Luitz Vidkun Quisling was sentenced to death for treason, 1945; Sir Seretse Khama became the first president of the Republic of Botswana, 1966; the people of Gibraltar voted overwhelmingly to stay under British rule, 1967; Guinea-Bissau became independent, 1974; Today is the Feast Day of St Ambrose Brialow, St Aubert of Avranches, St Finnian of Moville, Saints Menodora, Metrodora and Nymphodora, St Nemesian, St Nicholas of Tolentino, St Pulcheria, St Salvus or Saly of Abi and St Theodora of Maestricht.

University appointments

Dr David J. Balding, to be Professor of Applied Statistics at Reading University.

Church appointments

The Right Rev Richard Lewis, Suffragan Bishop of Tooting diocese of Bath and Wells, to be Bishop of St Edmundsbury and Ipswich, succeeding the Right Rev John Dennis who retires at the end of September.
The Rev Richard Arding, Assistant Curate, St Andrew's Church, Ipswich, to be Vicar, Westbury-on-Trym, Wiltshire, 1 September.
The Rev David Baker, Assistant Curate, St Stephen's to be NSM, Gurnsey St Martin (Wiltshire).
The Rev Paul Berlin, Priest-in-charge, Newington with Dymchurch, to be Priest-in-charge, Kingsway (Hull St Mary) (York).
The Rev Alan Butler, Assistant Curate, Maryport, and Family, to be Priest-in-charge, Blunty (Carlisle).
The Rev Ian Chandler, Assistant Curate, Howe, to be Bishop's Domestic Chaplain (Chichester).
The Rev Nigel Coates, Chaplain, Southwark University, to be Priest-in-charge, Freemantle Christ Church (Worcester).
The Rev David Cook, Vicar, Halme-on-Spalding Moor to be Rural Dean of South West (York).
The Rev Susan Eversen, Vicar, Kensington Park St Agnes (Southwark), to be Chaplain, Hampstead School (Chichester).
The Rev Peter Hyzack, Assistant Curate, Grove Green, to be Assistant Curate, Watcombe (Hull) (Liverpool).

ROYAL ENGAGEMENTS

The Princess Royal, Patron, Visiting Support, attends the launch of the Virgin Support's Report on Children in Court, at Church House, Dean's Yard, London SW1; attends the National Osteoporosis Society's launch of the booklet *Fit and Frail: advice for young women athletes and dancers, their coaches and*

instructors, at the Royal Society of Medicine, London W1; as President, Saxe the Children Fund, tours Asprey's de-becy studio and workshop, followed by lunch with the chairman, Asprey, London W1; and as President, Royal Yacht-club Association, attends a Central Management Committee Dinner at the Royal Thames Yacht Club, London SW1. The Duchess of Gloucester

Steward, to be Vicar, Asprey and Bolton (Ripon).
The Rev John Widdows, Vicar, Tansworth, to be Vicar, Westall Wood (Leicestershire).
The Rev Ena Wilton, Vicar, Hill St Martin with Transfiguration, to be Area Dean of West Hill (York).
The Rev Dr David Lloyd, Chaplain, University of East Anglia (Norwich), to be Priest-in-charge, Malvern St Andrew (Worcester).
The Rev John Baker, Vicar, Wilbury, Salisbury, to be Priest-in-charge, St John the Evangelist, Salisbury.
The Rev David Rogers, Priest-in-charge, Kingsway, Hull St Mary, and Chaplain, North Hamstead Industrial Mission, to be Vicar, Kingsway, Hull St Mary (York).
The Rev Sheila Stevenson (née Pike), Permission to officiate to be Priest-in-charge, the Nodden Church, St Albans.
The Rev Sue Whitehouse, Curate, Bedale and Curate, Thornton Watlass with Thornton

Lectures

National Gallery: Jacqueline Lewis, "Saint Michael (ii): Crivelli, The Descent of the Holy Spirit", 1pm.
Victoria and Albert Museum: Richenda Binney, "Early Islamic Art", 2.30pm.
Tate Gallery: Justine Hopkins, "What is Truth? Changing Views of Nature from the 19th to the 20th Century (1)", 1pm.
British Museum: Yin Hwang, "Modern Chinese Painting 1976-96", 1.15pm.
National Portrait Gallery: John Cooper, "18th-century Portraits with a Musical Theme", 1.10pm.

The Pilgrims

Lord Carrington, President, The Pilgrims, and Mr Robert M. Worcester, Chairman, presided over the 1996 Annual General Meeting of the Society held yesterday evening at the Dame Stella Rimington gave the annual Sir Harry Brittain Memorial Lecture afterwards. Among those present were:

Appointments

Mr James Hodge, to be Ambassador to the Kingdom of Thailand, in Bangkok.

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Children's rights and heavy-handed remedies

It is an everyday story from family life. Your child, having been told not to cycle anywhere near the main road disappears. You look outside, see she is not there, get anxious. A thousand malign scenarios form in your mind, inflamed by panicky press reporting of recent incidents. You scout. You quiz neighbours. You search. There she is, way outside the curtilage of security, oblivious to the traffic and the human hazards you count as you run towards her. Shaking, you grab her. But suddenly ire swamps relief. You raise your arm and... you commit an assault, pitting an adult's weight and size against the small, soft limbs of a child. Is that really a private act, one of the thousand intimacies permitted by consanguinity, or is it a trespass, an infringement of the right of that child as a human person to care and physical integrity?

That phrase, "a child's right", is like a rag to the huls of social order and traditional family structure. Their horns are out as, last week, it was reported a father had been bound over by the courts after having hit his son; yesterday a boy plaintiff laid before the European Commission on Human Rights a suit against the British government for failing to protect him against a beating by his stepfather. (The Commission has agreed to pass the suit to the European Court of Human Rights. This body - Europhobes usu-

ally conveniently forget this - has nothing to do with the European Union. It has no power, only influence, and that only as long as the United Kingdom continues to uphold the treaties establishing the Council of Europe, the court's parent.)

Under British law children already possess a variety of statutory protections. The state intervenes extensively already between adult and child. Philosophically, the Children Act 1989 pushed the idea of children's rights a good deal further. This curious piece of Thatcherite legislation was intended both to strengthen family bonds and to give children a more secure place in care and divorce proceedings. Effectively the Act did expand the ambit of the state, since who else but the courts - or social workers - can actually make children's rights operational? Police officers and magistrates are now much more attuned to complaints brought by children themselves, partly because of the changed legal climate, but partly because of the zeitgeist. The very individualism on which successive Conservative victories were floated embraces children, too.

The spirit of the age is also confused. The same child who has of course to be given a choice at school lunch must now be tested in the classroom according to the most rigorous and objective schedules. The same child encouraged

to discriminate between brands of cola or trainers is expressly forbidden choice when it comes to strangers on the street, or play on the beach.

Two principles contend. One is the need to respect and sustain the special nature of the parent-child relationship. The other is a collective interest in the well-being of the generation to come, which marries with a general respect for the rights of individuals and, by extension, the rights of children as half-formed individuals. The question posed by Child Z's application to the European Court is how far the latter intrudes into the former. When should

it become the business of the state to bold (or stay) a parent's hand?

Most parents would answer intuitively that they know the difference between a slap and a punch, between a blow that hurts a child's pride and a blow that leaves a bruise. And what they know of their own children, they can judge of other people's children. Parents can be relied upon to hallow the whistle on other parents, if they hear the child next door whimpering in pain and fear, if they see the bruises, if they smell the neglect. Leave it - it might be argued - to civil society. During the 20th century the use of corpo-

ral punishment has diminished, in the home as at school. Changing sensibilities are a better way of ensuring the well-being of children than heavy-handed social workers and magistrates.

But what, it might be countered, if civil society is apathetic; what if the way we live now precludes the supervision of other people's children? The physical and financial circumstances of modern life tell against the survival of those autonomous processes by which we are our neighbours' children's best friends and protectors. Enter the social services department or the woman police officer from the family division at the local nick: they are bidden to step in where we no longer have much interest in treading. There is a moral hazard here. The more the state intervenes, the less space and motivation for "society" to take care of itself.

In a perfect world there would be no gap between our intellectual convictions and our system of laws, between our principles and our behaviour. Our principles point towards treating children with the same respect for their autonomy as shapes our relationship with fellow adults. But the practice of child-rearing has to have space for chastisement - and that old word often fits the act. Gradually the practice and the principle are converging, part of a civilising process which, among other things, has seen the public and private conduct of men and

women towards one another improve over the years. A key word is "gradually". Far better for changes in the law to attend the movement of sensibility in society than to have courts bludgeon behavioural change. It will take many months, perhaps years, before the European Court adjudicates. It perhaps should take many more months, if not years, before British law moves to anything as drastic as a complete proscription of physical punishment of children by their parents.

Smiley on the other side

The Tories must be feeling very uneasy. The last worm at the heart of the establishment has finally turned. Remember those Smiley people we once accused of undermining Labour governments and of propping up the privileges of Conservative elites? Not any more.

One M15 adviser has attacked the Government for encouraging organised crime. All those tax havens from Bermuda to the Cayman Islands apparently make it easier for drug barons to stash their cash. So there you have it: M15 says shut the offshore tax havens. Anyone would think they had been recruited by Gordon Brown.

LETTERS TO THE EDITOR

Workers too afraid to join trade unions

Sir: Your criticism of trade unions (leading article, 9 September) is not quite fair: at least one reason for the fall in union membership is plain fear on the part of employees. Many would prefer to have precarious and poorly paid work than no work at all, and many now that even the suggestion of unionisation could cost them the job.

This fear is the direct result of legislative changes over the past decade and a half. What were regarded as basic democratic rights (the right to withdraw one's labour as freely as one might sell one's shares) were simply outlawed by a government that had declared war on "the enemy within".

Most people would share your view that we should be paid "according to our talents and negotiating tenacity" but this is likely to be weak indeed when new graduates take work in ununionised, pittance-paid burger bars.

The prime reason d'être for trade unions is what it always has been: when the worst excesses of grasping capitalism go mad (as they surely have in recent years). The only economic clout available to vulnerable wage-earners is unified solidarity, and as a last resort the withdrawal of labour.

IAN LINTOFF
London SW6

Sir: The point made in your recent editorial ("Fickle friends at Labor's cocktail party," 5 September) regarding the minimum wage as protection for "the taxpayer's pocket" as well as for the low-paid worker is an important one.

Surprisingly, those who currently argue in its favour have not emphasised the fact that, in the absence of a minimum wage, the taxpayers in effect subsidise the unscrupulous employer.

The employer who uses the state benefit system to avoid paying a fair wage is not a new phenomenon. The Poor Law Report published in 1834 noted that parish relief not only relieved the unemployed but made up low wages to a level judged to be sufficient for maintenance.

In rural areas some farmers, anxious to reduce costs and aware that wages would be made up to subsistence level out of the rates, reduced wages and threw the cost of maintaining their labourers on to the parish.

VERONICA ABRADLEY
St Leonards-on-Sea, East Sussex



not in the under-funded Health and Safety Executive but in having an active trade union health and safety representative, since they can use their legal rights to information and consultation and enjoy some protection from victimisation over health and safety matters.

TIM EVANS
London Hazards Centre
London NW5

Schools cannot right race legacy

Sir: What was Suzanne Moore trying to say ("The post-racist bubble bursts," 6 September)? She seems to be a victim of the myth that schools and teachers can successfully counter inadequate social and family backgrounds.

From 1960-1962 I taught Yoruba boys in a school in the western region of Nigeria; later, in England, I taught Afro-Caribbean boys and girls. Their forebears were probably taken as slaves from the same tribe, the Yoruba, to the West Indies.

The difference in self-esteem and span of attention was striking. The Yoruba boys were proud of their language, culture and history. That pride and a firm family structure made them excellent students.

Their distant cousins, however, had been subjected to a slave plantation ethos, had forgotten their original language and culture, had lost their family structure and had a veneer of Englishness which hindered rather than helped their learning.

With the best intentions and the best resources, I and my colleagues

could not make amends for their history. Isn't that the point you are making in your profile of the Asian and Afro-Caribbean students ("Pupils can expect to do better and better in exams, unless they are black. Why?", 6 September)?

However hard they try, however skilled and compassionate they are, teachers can only remedy a few of the deficiencies of the home and history of their charges.

KEN CLARK
Bedford

Sir: Suzanne Moore's argument ("The post-racist bubble bursts," 6 September) on the under-achievement of African Caribbean schoolchildren succumbs to the premise that underlies nearly all debates on the subject between the Swann Report of 1985 and the recent Ofsted findings.

The research of the late Professor Barry Brimley has indicated that under-achievement may be a misnomer. "If the research data were standardised to take into account class and gender backgrounds the results would show few significant differences between black pupils and their white, working-class counterparts."

Underrated, Troyna suggested, may better describe the condition of black schoolchildren, who are from predominantly working-class backgrounds and whose school achievements may not look so grim when they are compared with their peers rather than young people from across the class spectrum.

Professor ELLIS CASHMORE
Staffordshire University
Stoke-on-Trent

Why we bombed Iraq in the 1920s

Sir: Patrick Cockburn, in his critique of the military action against Iraq (4 September), refers to the "bombing into submission" of the Iraqis in the 1920s.

At the time the country was plagued by inter-tribal raiding, which it was our duty to curb. The British Army had an impossible task: the nature of the country ensured that slow-moving columns could never come to grips with the raiders, who in any case - in the way of guerrillas of all ages - merged undetectably into the local population.

What the Royal Air Force proposed was that they could better achieve the object by air action; it would also be considerably cheaper. Events proved the proposition correct. The tactic was to warn the village headman to desist his depredations on pain of having no village to return to; warning was always given of the impending attack and casualties thereby avoided.

ARTHUR SPEAKMAN
Sarnesbury, Lancashire

Sir: As part of your coverage of the Iraqi crisis, Christopher Bellamy's piece ("Tropical outpost that let the B-52s strike," 6 September) on the strategic importance of the US base at Diego Garcia made no mention of the island's tragic history. All he said was: "There is no town or civilian population on the island."

In 1967, in one of the most

shameful episodes in post-war British history, the Labour government forcibly deported the islanders to Mauritius, where they lived in conditions of some hardship without adequate recompense for the loss of their homeland and businesses. Many were reported to have committed suicide. This appalling example of Cold War realpolitik enabled the Americans to have an "uninhabited" base in the Indian Ocean. In return, the Americans gave us nuclear warheads at a discount rate.

ADRIAN TURNER
London W5

Grave concern

Sir: My experience of visiting the grave of William Morris at Kelmscott contrasts hugely with that expressed by Dorothy Billcliffe (Letters, 28 August).

The setting of the memorial within the churchyard is perfect; the introduction of signs or indicator boards is completely unnecessary and would be an affront to the very spirit of the place. The fact that moss and lichen thrive upon the stone slabs is simply in keeping with all the other roofs situated within the locality, and as for the idea of a "craft renovation" (whatever that may entail), Morris must be turning away in the grave.

What comes after that, a signposted "Morris Heritage" route from the M40 and a gift shop at the churchyard gates?

MICHAEL MURPHY
Chesham, West Sussex

Curb on the kerb brings new perils

Sir: Dr Mayer Hillman (letter, 5 September) has nearly reached the height of anti-car absurdity. I am much more of a pedestrian and cyclist than a motorist; the idea of "paving intersections to the same level and with the same materials as the adjacent pavement" fills me with horror.

What do blind people do, except those with highly intelligent dogs, when there is no distinction between pavement and road? Or children, who are taught that the pavement is a safe place and the kerb is where you take special care? Has Dr Hillman ever ridden on a bicycle - or in an ambulance - over a series of humps?

CH STANDFIELD
London W7

Dirty diesels

Sir: Why do drivers of large diesel-powered vehicles such as vans, coaches and, especially, minibuses leave their engines running when they are stationary?

We've all seen, heard and smelt this while drivers make deliveries, stop for refreshments, await the return of sight-seeing passengers and so on. Is there a technical reason, such as diesel engines being difficult to restart when warm?

If not, in the interests of their own financial well-being, together with the health of the passer-by and the environment, perhaps the operators could issue guidance to their drivers to switch off. It would be much appreciated.

W A WHITE
Maplehurst, West Sussex

Privatised grief is hard to face

Sir: Bryan Appleyard ("While parents mourn, the nation watches", 6 September) unwittingly highlights and underlines the real problem experienced by many parents in our modern society when they suffer intense grief through the tragic death of their children (something I have personally experienced).

Towards the end of his article he reminds us that "ultimately the real victims will have to survive alone". And this is the paradox. For all the "weirdly normalised" interest that is taken publicly by the media when tragedies occur, the truth is that privately individuals are often stigmatised and isolated after a child's death, a time when they desperately need others to help them come to terms with the situation they are experiencing. Colin Farry hints at this. Talking to the media was, he felt, a safe way to express his emotions.

It seems we can acknowledge others' grief from a safe distance packaged and presented on our television screens but not through individual interaction with each other. Does this distancing not reinforce the modern myth that everyone is led to expect but which no one can attain, of a "perfect" life?

Does it not also expose the arid nature of today's society, in which loss of community support has occurred through the individualisation and privatisation of society?

Brian Appleyard states "making suffering routine makes it impossible" and that "privacy is essential to dignity". Dignity is a red herring, and privatised grief is what makes it impossible for those suffering it. Is his plea merely "I find even this remote display of these emotions uncomfortable, please keep them to yourself"?

Mrs TERRY HEAD
Eastleigh, Hampshire

Meacher: green plans ignored

Sir: John Rentoul's account of his interview with me as the new green spokesperson for Labour (6 September) is barely recognisable in relation to what was really said.

We discussed environmental policy for over an hour. Yet much of the article was a misrepresentation of certain ideas in my book.

Diffusing Power. I never said, in the interview or the book, that Labour should soak the rich. I never said, in the interview or the book, that there should be a ballot of employees to determine directors' pay. I never said, in the interview or the book, that a growth dividend could or should all be spent on public investment.

Yet Mr Rentoul has chosen to make these claims the centrepiece of his article, while ignoring the range of environmental proposals I made.

He has turned what could have been a serious article reporting on issues of vital concern to the electorate into a piece of cheap political sensationalism.

I hope this will not set a precedent for the Independent's political journalism in the run-up to the general election.

MICHAEL MEACHER MP
(Oldham West, Lab)

Shadow Secretary of State for Environmental Protection

House of Commons

London SW1

analysis: the education panic

Lost in the blackboard jungle

A flurry of new books on education points to a crisis in our schools - illiterate pupils, falling standards, teachers in the grip of phoney methods. In the first of two articles, Judith Judd asks if the alarm is justified

Debate about the English education system is like a rollercoaster. We hurtle from one extreme to another, shouting a great deal along the way. Some children fall off as we go but, as they are not the children of people who decide what happens in schools, nobody takes much notice.

One of the biggest battlefields is teaching methods. On the one hand there are the traditionalists (such as Melanie Phillips whose book *All Must Have Prizes* is out this week), who are convinced that standards will rise if we go back to chalk-and-talk, rote learning and "whole-class" teaching. On the other hand there are the progressives who think learning should be fun and that children should find things out for themselves.

The results are predictable. The Fifties (traditional) produced children who were terrified by maths and bored by apparently pointless drills, while the Seventies and Eighties (progressive) produced pupils who enjoyed maths more but were poor at basic arithmetic.

At present, as a series of international studies shows that we lag behind our competitors, the traditionalists are in full cry. Even Labour wants to go back to basics. A book to be published later this month by Professor Michael Barber, a party adviser, says that standards are not high enough and that we must pay more attention to literacy and numeracy.

The dispute is not only about education. People take sides according to whether they believe children are naturally virtuous or vicious and whether they should be disciplined or liberated. Some even argue that, without correct grammar and spelling, the country must inevitably go to the dogs. Lord Tebbit, the former Tory party chairman, once blamed football hooliganism on the decline of lessons in grammar.

Where so much emotion is generated, the claim that standards are falling has to be examined with care. Complaints that things are not what they were have been commonplace for more than a century.

Inspectors believe literacy and numeracy standards may have slipped because schools have concentrated on improving other things, such as creativity in English or a much wider range of concepts in maths. In modern languages, students learn less grammar because they spend more time learning how to speak the language.

Put simply, standards have risen in some ways and prob-



Bricks in the wall: traditionalists want a return to regimented 'whole-class' teaching - but would turning the clock back work?

Photograph: Kobal Collection

ably fallen a little in others. We have no way of knowing for sure: Her Majesty's Inspectors did no systematic reporting on individual schools in the Fifties and Sixties.

Research suggests that reports of a crisis in literacy and numeracy are exaggerated. A recent report from the National Foundation for Educational Research, which has taken a national sample of children's reading regularly since the war, shows that, though standards have fluctuated slightly, they are now much the same as they were at the end of the war. A similar look at spelling by the Foundation between 1979 and 1988 found that the spelling of 11-year-olds had actually improved.

The adult literacy courses of the Sixties and Seventies were set up to help adults who failed to learn the basics in the gram-

mar and secondary modern schools of the Fifties. And green grocers have been misplacing apostrophes for as long as anyone can remember.

Public exams are the main measure of standards and an important weapon in the standards war. Traditionalists argue that examiners have bent the rules to allow more candidates to pass. Worse still, they say, examiners are neglecting grammar and spelling so that candidates with a weak grasp of language rules are getting good grades. Teachers say the rising pass rates for both GCSE and A-level reflect real improvements in standards.

Francis Burns, aged 64, has been an examiner in English since 1959 when the 16-plus exam was O-level, taken by only the top 20 per cent of pupils. GCSE for all pupils has replaced O-level, but Dr Burns

says examiners' reports on grammar, punctuation and spelling have changed remarkably little. "Then, as now, we were complaining about people not knowing the difference

which she trotted out as stock answers in the exams. "I got top grades but they would not even get a C grade now. The standards of writing in English have exploded." She says candidates

That slip - and the hand-wringing of university dons - may be explained by the huge increase in the proportion of 18-year-olds taking the exam. In the Fifties just 3 per cent of the age

in catastrophic decline does not stand up. Yet the combatants in the standards war are so busy arguing about this that they fail to make the only point that matters: that standards are not high enough. In most international league tables on maths and reading we come below the middle, and far below the tiger economies of the East.

Why? Traditionalists blame teaching methods, the notions that teachers should guide rather than instruct, and that children should discover things for themselves rather than being told. They have a point.

Undoubtedly, there are primary schools where children work in small, mixed ability groups at tables and where teachers do not do enough teaching. Research from Professor David Reynolds of Newcastle University shows that teachers use whole-class teaching much less frequently than in most other countries. Worst of all, say HMI, are classes where pupils plough their way through individual published work schemes with little or no intervention from the teacher.

Inspectors also complain that - sometimes for ideological reasons - teachers are failing to give pupils hard messages. An HMI report on school reports last year accused teachers of refus-

ing to reveal to parents the unwelcome truth about their offspring's shortcomings. The same notion lies behind the philosophy of marking, which avoids plastering a piece of work in red ink and concentrates only on the worst mistakes.

Yet nobody, even the inspectorate, knows how widespread "discovery" methods are. A significant minority is the best guess - many classrooms have not changed since the Fifties - and the number is in decline.

Traditionalists are tiring at a disappearing target. The heyday of progressive methods was in the Seventies. As Dr Burns puts it: "There was a spell in the Seventies when we really lost spelling and punctuation accuracy. That has all changed now."

The amount of whole-class teaching is creeping up. Fifteen per cent of primary schools now "test" pupils - dividing pupils by ability in each subject - and overall 60 per cent of secondary schools now do so. For GCSE courses the vast majority are setting in most subjects. Most inspectors' reports say teachers use a mixture of methods.

The power of local authority advisers and inspectors who led the fight for progressive methods through their hold over appointments and promotion has dwindled.

Even if trendy methods were as common as their opponents believe, they would not supply the whole explanation for Britain's failure to do better. Why would reading standards have remained the same since the war, despite changing teaching methods? How are the adult illiterates of the Sixties and Seventies, educated in the traditional Fifties, to be explained?

The most consistent complaint in inspectors' reports is that teachers' expectations are too low. The reasons for that are beyond as well as within the school gates. Ours is a society which undervalues schooling, admires entrepreneurs without O-levels, distrusts teachers and pays them too little.

The danger now is that everybody from the Labour Party rightwards will go galloping back to the supposedly halcyon days of the Fifties when pupils did not move from their strident rows and the teacher stood by the blackboard. It failed then and will fail again.

Schools need to move forward, not back, and to explore the type of whole-class teaching used in other countries which demands responses from individual children. They cannot pretend that computers and calculators have not been invented, that the same skills will be needed for the next century as for this, and that higher education should be confined again to a tiny minority. We can that fear of authority, which kept children in check throughout boring lessons, be reintroduced in the 21st century.

Tomorrow: Sparin the rod...

Lord Tebbit once blamed the rise of football hooliganism on the decline of lessons in grammar

between were and where, its and it's and using commas instead of full stops.

But there has been a change in the way spelling in exams is marked. In the Fifties and Sixties, pupils invariably lost marks for wrong spelling. "That meant that good girls' schools drilled pupils to do very dull, competent writing, and not to try words they weren't sure they could spell."

The traditionalists, however, are not just worried about the GCSE. University dons have joined the lament that progressive notions have even affected the A-level, and that students with good grades are arriving at university unable to use commas or participles correctly.

Anne Barnes, an English examiner and general secretary of the National Association for the Teaching of English, has kept her old A-level essays

now read a wider range of books, write with more vitality and offer a more sophisticated analysis of the texts. "I think there has been a slip in the standards of grammar and spelling but not enough to be really worrying. And the gains in the quality of writing more than compensate for the difference."

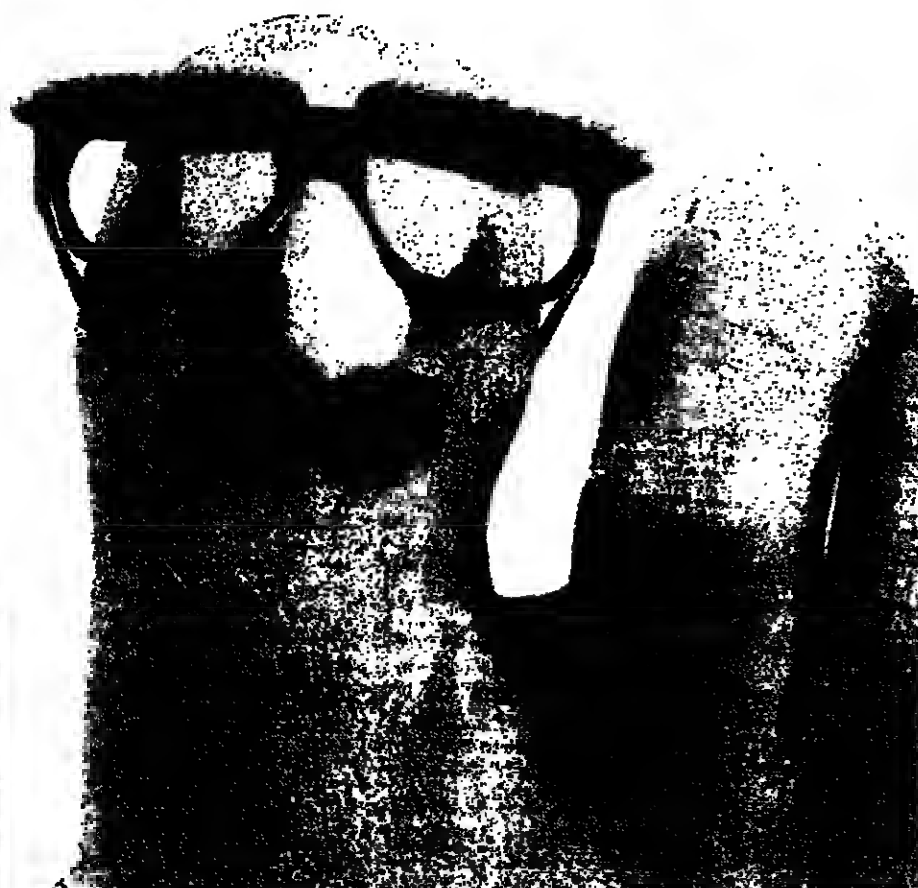
group took A-level. Now more than a third are candidates. An inspectors' report two years ago found that the cleverest A-level candidates were doing better than ever - and they could write and spell correctly - though there was a long tail of people who couldn't.

So the case that standards are

THE CHARGES AGAINST EDUCATION

- Standards are falling. We face a rising tide of illiteracy. Grammar and spelling are in catastrophic decline.
- "Public exam standards" have fallen dramatically. Examiners do not penalise grammatical errors in English or foreign languages.
- Teachers have stopped teaching. Children are not taught knowledge but are encouraged to find out things for themselves.
- Teachers are so worried about demoralising pupils that they do not correct their work.
- Because of their egalitarian philosophy, teachers refuse to set and stream children.

There's no disguising problem toenails



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FREEPHONE 0800 200 210

Time to end classroom 'apartheid'

A leading Tory wants to end the elitism of public schools. Donald Macintyre explains

Executed about the forthcoming election? Then consider this and despair: the most adventurous idea you will hear from a politician this year won't figure in the campaign at all. It belongs to an MP who can't even be bothered to stay in Parliament any longer. It brutally exposes the sterility of the current slanging match over which party will cost the taxpayer the least money.

It would do more, in time, to transform Britain's education system, and perhaps our long-term economic prospects as well, than anything you are likely to hear between now and polling day. It confronts the utterly central, and utterly taboo, question of what to do about what are called, in perhaps the most spectacular euphemism in the English language, the public schools.

The big idea in a forthcoming book by George Walden is this: you will never truly make the country's education system work unless you tackle the peculiarly British apartheid between the state and private sectors in education. Walden convincingly nails the lie that this doesn't matter, with some awesome statistics about the greater academic effectiveness of the private schools. Seven per cent of parents send their

children into the private sector, yet that same private sector provides 25 per cent of those in higher education, and 68 per cent of all physics GCSE "A" grades. And so on.

As he points out, the UK is the world's only advanced nation in which the "moneyed and professional classes... reject the system of education used by the overwhelming majority pretty well out of hand, as an inferior product." And he fantasises to devastating effect about the interest such an elite would take - as it does in France - in the state system if they were actually obliged to use it.

But Walden's answer isn't abolition. His solution is to begin luring independent schools, starting with the former direct grant day-schools like Manchester Grammar, back into the state sector. There would be open entry - based on a common academic standard - to all such schools. Parents who could afford to pay would continue to do so, but academic potential rather than ability to pay would be the only entry criterion. The cost of providing free places in such schools would be met from a mixture of private and public finance - including, for starters, the entire budgeted £200m for the Assisted Places Scheme. Walden

foresees two gradual consequences: some of the rich, no longer protected from genuinely open competition for independent school places, might find that they had either to buy places at academically less effective private schools - or even the state sector, which they would suddenly start caring about very much indeed. And private schools, initially outside Walden's envisaged new Open Sector might feel they have to

But if many of his fellow Tory MPs, particularly on the right, were suspicious of him before, it's nothing to what they are going to feel now. He is withering, for example, about the Assisted Places Scheme, now to be doubted by John Major as a means of providing state-financed places in the private sector. He regards the APS, which all too often benefits quite well-off parents who would buy private education anyway, as at best patronising, at worst grubbily corrupt. And he flies directly in the face of Conservative orthodoxy by arguing unashamedly that his ideas will only begin to work if an extra £5bn a year is spent throughout the state sector - including on universal nursery education from three to five and a new generation of technical schools. He even suggests taxing child benefit, running down mortgage interest tax relief, and VAT on books, newspapers and magazines.

But I suspect Walden knows that his real challenge is to Labour. On the face of it, Labour's proclaimed opposition to selection precludes Tony Blair from meeting it (though Walden doesn't want a return to 11-plus and is persuasively in favour of the German system

which allows flexibility up to the age of 14.) But the bow over Harriet Harman's choice of a grammar school for her son has exposed the contortions the party now has to perform on this issue. The biggest contradiction of all is the selection within the state system isn't inherently un-socialist (Walden hilariously describes trying to explain the comprehensive system to an incredulous education minister in China), but a flourishing private sector which soaks up the children of the elite is just that.

While agonising over a return to streaming in the state system, Labour plans to leave the private sector just as it is. And that is a national education policy conducted with the left hand tied firmly behind the back. What Walden opens up for Tony Blair is a chance to end this corrosive segregation without destroying the high academic standards and liberal education on offer in the best of private schools. For Tony Blair, now in sight of becoming the first privately educated Prime Minister since Lord Home, that would surely be a prize worth having.

'We should know better: Solving the Education Crisis' by George Walden is published on September 16 (Fourth Estate, £9.99).

George Walden isn't everyone's favourite MP. He's an intellectual

join in time simply to maintain competitive academic standards. Walden isn't everyone's favourite MP. He's an intellectual, unusual among modern politicians in Britain, though not of course in the rest of Europe. Even more unfashionably he speaks many languages and has been to a lot of universities. He is an ex-Foreign Office mandarin with some of the doofiness of that trade. He is not particularly - that most beloved of Tory qualities - clubbable.

the commentators

When losing your bottle unravels the knot

I recently received a letter from an unemployed philosopher called Ralph Tellerbein which touched me deeply. Here it is.

Dear Mr Kington, I am an unemployed philosopher with a first-class degree. Can you help me? I have noticed that from time to time you engage the services of experts to answer reader's queries, and I wonder if you would be interested in hiring a philosopher on a part-time basis. I would be delighted, Mr Tellerbein. In fact, why don't you take over straightaway and let us see how you make out?

Here's a knotty little problem for starters, Mr Tellerbein. When I take bottles along to the bottle bank I sometimes find I have a black bottle with me, and I never know whether I should put it in the bottle bank marked "clear" or "green" or "brown". What is a philosopher's view of this?

Ralph Tellerbein writes: You have fallen into the trap of supposing that the available answers are the only answers. The three commonest bottle

colours are green, brown and clear, therefore the bottle recyclers offer facilities for these three. It does not therefore follow that they actually want bottles of any other colour, or that the black bottle should be put in any of the three pre-existing categories. Would you take a bright red bottle to a bottle bank? I think not. Would you take a bright blue bottle, of the kind favoured by glass-makers in the Bristol area? Not unless you lived in Bristol, where for all I know they have bottle banks for blue glass.

Sorry, I'm lost. Are you saying that I should just throw black bottles in the bin?

Ralph Tellerbein writes: Yes. Is Ralph Tellerbein your real name or is it an assumed name?

Ralph Tellerbein writes: What is a real name? What is a false name? You speak of an "assumed" name, but all names are assumed. None of us are born with a name. They are all given to us. Some we assume for ourselves. To that extent, all names are false. But they are also all real, because any name that is chosen for or by a per-



Miles Kington

son therefore becomes real. What is Madonna's "real" name? What is Eva Peron's real name? What is Baroness Thatcher's real name? She started out life as Margaret Roberts, then became Mrs Margaret Thatcher, and has ended up as Baroness Thatcher - in other words, has discarded or changed all the names she had in Grantham. What is her "real" name? It is the same thing with bearded men.

What is the same thing with bearded men?

Ralph Tellerbein writes: When meo grow beards, you often hear friends say that they can hardly remember what the bearded one "really" looks like. In fact, it is the man with a beard who has the natural appearance. That is what he really looks like. It is those of us who are shaven of whom it should be asked: what does he really look like?

What has that got to do with people's names and Baroness Thatcher's titles? Ralph Tellerbein writes: Nothing. I just thought I would throw it in to sound impressive. It's an old philosopher's trick.

Which old philosopher? Ralph Tellerbein writes: All old philosophers.

How should I vote in the next general election?

Ralph Tellerbein writes: Very slowly and very noisily - if possible, very drunkenly. As the process is almost entirely meaningless and insignificant, you might as well get as much fun out of it as possible.

I really meant, which party should I vote for?

Ralph Tellerbein writes: Theo you should have said so. You should have said, "What shall I vote?" and not "How shall I vote?", which means something quite different.

When you say you are an unemployed philosopher, Mr Tellerbein, what do you mean by this? Do you mean that you are unemployed as a philosopher but employed as something else? Do you mean that you are a philosopher who is not employed as anything, including philosophy? Or do you mean that you are a philosopher who has given up the habits of philosophy?

Ralph Tellerbein writes: None of these. In fact, I lied in my letter to Mr Kington. I am actually in real life a researcher for Esther Rantzen who has gone undercover in an NHS hospital for four weeks masquerading as a patient, and time has lain heavy on my hands, so I have taken to writing fake letters to the media.

Miles Kington writes: If I had known this earlier, I would never have let Mr Tellerbein take over the column for a day. Rest assured, he will not be back.

Whatever happened to the green market?

Eco-shopping is down, but will rise again, says Nicholas Schoon

Change your shopping habits and save the world. These days that sounds daft, but in the great Green Shopping Boom at the end of the 1980s some people took it very seriously indeed. The retailers and manufacturers did so because there was market share to be won and money to be made from offering the punters "environmentally friendly" products with jolly green labels attached.

A lot of the shoppers took it seriously too, because they felt guilty about the environment. There they were in boom Britain, wanting to enjoy the feeling of prosperity but highly receptive to the notion that pollution was mounting and nature on the run. How convenient, then, to believe you could be a friend of the earth by buying recycled lavatory paper.

But for the past six years the green consumer revolution has been either treading water or quietly retreating. Once there were whole sections of supermarkets devoted to products which claimed to be environment-friendly. Several of the big chains developed their "own-label" green brands. Since then the number of product lines sporting those labels has shrunk drastically on shelves across the land. And yesterday, when I Sainsbury's published its first annual environmental report, the giant admitted that it had withdrawn a clutch of its GreenCare household cleaning products because they had "no environmental advantage over standard products."

So is the idea of green consumption which is doomed, rather than the planet itself? Not at all: it will be back because it has a role to play in protecting the environment. But it will only return in a more sensible and useful form, able to make a contribution, if we learn from our mistakes.

Mistake number one is the term "environment-friendly." There is no product available in supermarkets which really merits this description; at the very least it has travelled many dozens of miles from factory to distribution depot to superstore in a fossil-fuel-burning, fume-belching juggernaut. I cannot think of any happy, positive, brief way of saying "this product does less harm to our environment than its rivals" but that is the correct expression for any green label, and if we lose sight of it then we are fooling ourselves.

Mistake number two was the

failure to insist on the standards and scrutiny that were needed to make the thousands of green claims credible. Without some authoritative body able to check and endorse the claims, some of the public were bound to grow sceptical.

The Government made the mistake of letting the European Commission devise a EU-wide "eco-labelling" scheme instead of coming up quickly with a rough-and-ready British-only one. The European Commission took ages to get its eco-labels sorted out and completely missed the moment. The first of them, with their 12 stars and flower logo, have only begun to trickle out for a few types of product in the past year and a half, once green consumption was really in the doldrums.

I doubt whether you can have an effective, long-lasting shift towards greener consumption without the Government being fully on board. Perhaps the best example is the switch from leaded to unleaded fuel. Only when the state had decided that leaded should be

Green consumption will only return if we learn from our mistakes

taxed more heavily than unleaded did the real shift get underway. Before then, motorists may have felt bad about using a fuel which produced a potent neurotoxin and could damage children's brains, but very few did anything about it.

If there is strong and sustained economic growth then green consumption is likely to revive and become a subject of debate. But there is a much bigger debate to be had about what sort of shift in values, rather than "consumption patterns" and shopping choices, may be needed to protect the environment for our children and grandchildren. We live in a society which encourages us, almost every second, to believe that we are what we consume. The thought of us actually wanting to earn less and consume less for the sake of the planet, or our mental well-being, or both, is one that our political and business leaders simply cannot cope with. This is the real green consumer revolution and it may never come.

Science, the new religion?

Popular scientific writing sells by the crate. But glib answers to the big questions threaten its integrity, says Andrew Brown

The only popular chemistry is sexual chemistry. Almost every science can sell books in vast quantities - except chemistry. When this point was raised last week at a conference on communicating science, at Jesus College, Cambridge, there were two reactions. The first was a general laugh from a largely scientific audience. The second was that an outraged chemist rose to his feet, and asked how anyone could say that chemistry was unpopular when Primo Levi sold so well?

This rather made the point, I thought, Levi wrote *If this is a Man*, not *If this is a Chemist*. He was a great writer and a chemist, but the two trades were distinct in his mind. Some of his books use chemistry as a frame on which to peg memories of his time in concentration camps. Yet they are not about chemistry in any obvious sense, but about the fundamentals of human life. They use ideas and terms from chemistry to illuminate the world from the side, as it were. The science books that sell, on the other hand, purport to show us the world as it actually is. They have authority.

Chemistry is not the only science excluded from this magic circle. According to Ravi Merchand, one of the leading scientific publishers in Britain, there are only about four subjects that sell really well: cosmology, evolutionary biology, paleoanthropology, and brain science. But any of these subjects can hit the jackpot - at least in this country. Britain leads the world in the consumption of popular science books. Advances paid for them here are greater, for the size of the population, than anywhere else in the world, and a trend towards larger advances and greater sales for the lucky few has been continuing for the past 20 years.

Other countries are enthusiastic, too, but only for their own authors. The French will buy anything written by a French scientist, the Americans prefer Stephen Jay Gould to Richard Dawkins and so on. This is unlikely to reflect preferences for different perspectives on evolutionary biology. It suggests something deeper and more irrational is at work in the popularity of science.

Why do people buy these books?

Merchand's answer is simple: They provide "grown-up answers to the questions children ask: 'Why are we here? Where are we going? What was in the beginning?'"

This looks like unmitigated good news. To the optimist, sales of popular science books represent the triumph of enlightenment, driving out ignorance and superstition. Religious questions are finally getting scientific answers. The trouble with this optimism is that the evidence suggests that if you ask a religious question, you get a religious answer, whether or not this is dressed up with scientific illustrations.

It would be wonderful if people bought Stephen Hawking and not astrology, but the evidence suggests the same audience buys both. The boom in popular science writing has coincided with a boom in the sort of books that seem diametrically opposed to it. There is nothing so far-fetched and scientifically impossible that you cannot make a decent living publishing books asserting its truth. Against *The Double Helix* or *Wonderful Life* are ranged shelves of astrology, homeopathy for cats, the tomb of Jesus found in the Dordogne, or aromatherapy for dolphins. (I made up only one of these titles.)

More worrying for some scientists was the confusion between legitimate science and pseudo-science in books that purported to be straight. This probably started small, in quantum physics. "There are terrible books written, whose basic premise is that quantum physics is very peculiar, and after quantum physics, anything goes," said John Polkinghorne, a former physicist turned priest.

"There is a tremendous obligation in those who write about science not to stoke up the x factor, but to try lay their matter out in as clear and accessible a way as possible; and to discriminate between mainstream science and the fringe."

John Polkinghorne's own books, it is fair to say, tend to sell to a largely Christian audience and are published by the sober and sensible SPCK. They are not how he makes his living. Any-one trying to sell a book into the wider marketplace has to hype up its importance. This applies still more to the reporting of science, as Tom Wilkie, the former science editor of this newspaper, told the conference.

There was a steady trend, he said, for all types of reporting to move towards the rules of political reporting where both sides are given their say. In this way, he said, the one thing you do not ask yourself is whether the speech you report is true or not, only



whether it is reporting it accurately. It is impossible in political controversies for both sides to be telling the truth. It is possible that both are lying. Yet both are reported as if their views were of equal weight. In general we regard this process as the foundation of democratic debate.

Only by trying to give the powerless the same amount of time as the powerful can we ensure debate is fair. But adversarial debate has its own distortions, no less than authoritarianism. Who this pattern of reporting is applied to science, the pressure is always to give the cranks equal time with mainstream scientists.

At moments when real science finds itself unable to speak with unequivocal authority, such as the BSE crisis, bad science, pseudo-science and wishful thinking rush to fill the gap.

Ravi Merchand had seen a link

between the consumption of popular science books in Britain and the decline of religion. Here there is another link. For it is a peculiar feature of religious reporting in the secular media that no one ever asks the question of whether it could possibly be true. All religious or metaphysical assertions are treated as equally probable or improbable. Morris Cerullo gets as much space as the Ayatollah Khomeini. The Pope's opinions are treated on a par with George Austin. All that matters is that they make a pretty contrast and entertain the readers.

Science reporting has not reached that stage, at least in the serious media. But there is every sign that it is getting there. The distinction between science and pseudo-science, and even between science and religion, so clear and dear to the scientist, has vanished in the marketplace. It is

easy to blame all this on the market. But I think it's wrong to do so. The modern entertainment industry, into which all other human activities are slowly being sucked, is the greatest instrument ever devised for finding out what people want and giving it them. We who serve it may be wrong to do so, but we do not create the desires we satisfy. If the science that consumers want is deeply unscientific, that is not our fault. It is a thought I find profoundly depressing, but perhaps what is wrong with popular science writing is not that it gets the science wrong - for most of it is scrupulously accurate - but that it makes the religion and philosophy involved seem too easy. The thirst for truth, said AE Housman, is the feeblest of all human passions. The lesson I took away from Cambridge is that the longing for certainty is much stronger.

At last, the tide is turning for trade unions

Millions want to join up. And most people think the boss has too much power, says John Monks

This week in Blackpool Britain's trade unions will set themselves the challenge of reaching out to the new insecure world of work. Our membership has fallen from more than 12 million to less than seven million since 1979 and we are determined to halt that slide.

That is why this year's congress slogan is "new unionism - organising for growth". New unionism is the same name given to the movement that saw trade unionism break out from its craft base to recruit unskilled men and newly employed women at the end of the last century. This is no easy challenge. We know that changes in the world of work have made our job more difficult, but also more necessary. Britain's trade unions remain staunch supporters of Europe. What is wrong with Britain today came from across the Atlantic, not the Channel. Deregulation, welfare slash-and-burn and tax cuts for the super-rich are not the Brussels way.

Politicians may hope that decisions about EMU will go away, but however difficult the issue it has to be confronted. On balance, however much we might prefer the circumstances to be different, Britain will be better off

signing up to the single currency, rather than pay a heavy price in jobs and prosperity for remaining outside. One in seven of us has known unemployment since the 1992 general election and one in three will work part time by the turn of the century. Five million earn less than £4 an hour.

Yesterday we released market research showing that up to 5 million people at work today are not union members but would like trade unions to negotiate on their behalf. Our message to these union wannabes is that we want non-union Britain to share the benefits of union Britain. Half of all employees are in workplaces where unions are still recognised. Eighty-five out of the top 100 British companies negotiate with unions. Unionised workplaces have better training, fewer redundancies and less labour turnover.

Responsible employers are dropping their knee-jerk opposition to minimum standards at work. Each survey seems to show a further swing towards support for such reforms as a minimum wage. No British firm compelled to establish a European works council because of operations in Europe has taken advantage of the UK opt-out to exclude their domestic workforce.

Our aim this week is to build an alliance with good employers against the bad. Proper minimum standards protect the employer seeking long-term success from unfair undercutting. Today, those that train find their staff poached by those who don't.

But this is not to say that everything is perfect in unionised workplaces. This year's congress will also explore what the stakeholder agenda should mean for employees. We will be discussing how we can rise to the challenge set to us by Gillian Shephard at a TUC conference to work with employers to promote training in every workplace.

So far I have not dealt with what is always supposed to be the main story of every TUC - our relations with Labour and our wider political stance. This is deliberate. Our most important relationship as

trade unions is with our members and those at work. Second come the employers with whom we negotiate or seek to do so. Only then come our political relationships. So while I am now reconciled to it, it still makes me angry to see every TUC treated by many as little more than a dress rehearsal Labour Party conference.

In any case, our most pressing problems are with the current government. Brian Mawhinney, the Conservative Party chairman, wants to get tough on unions in the mistaken belief that this will be electorally popular. Michael Heseltine, President of the Board of Trade, is still keen to abolish employment rights for those who work in small firms. Defeating these plans form our immediate political objectives.

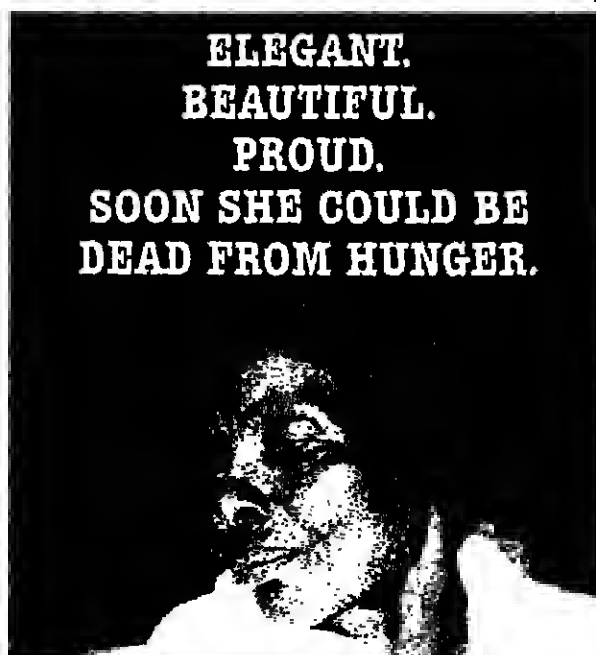
Longer term the political horizon is bright and promising. I take nothing for granted but an election is likely to bring the near universal government hostility to trade unions to an end. Labour's proposals do not always go as far as we would want, and no doubt some will say that this week. But Labour does promise a decisive break from when we have had to score our goals playing uphill while the other side changed the rules as they saw fit.

Indeed, the poll we published yesterday shows Labour has nothing to fear from these policies. I know some in Labour are keener on promoting what they do not say, rather than what they do. I understand fears that people will believe Tory propaganda that Labour only supports new employment policies because unions do.

But such policies are popular even with Tory voters. Most people think power has swung too far towards the autocratic boss. They want Labour to offer a level playing field and will see the party's employment rights package as a fair set of workplace rules with valuable new rights for every employee. And we know that in practice they will only be made reality by union action.

We have set ourselves the task this congress of returning to our roots, by going out and organising. Labour's proposals won't do this for us. We will still have to make the case for trade unionism. But when we have recruited and organised, employers will have to listen. That will make it that much easier to make the case for trade unionism. And that's fine by me.

The author is secretary general of the Trades Union Congress.



Sophia Wambol is typical of thousands of elderly people living in atrocious conditions overseas right now. Living in a tiny, insanitary shack, she is struggling to survive on a handful of rice a day. Without help soon, she could die.

Yet by sponsoring an elderly person such as Sophia for just \$10 a month, you could provide them with life-saving supplies of food, medicines and clothing - and help give them back the dignity they deserve.

In return, you'll receive regular reports that keep you in touch with your adopted grandparent. For more details, please complete the form below.

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Return to: Helen Elger, Adopt a Granny, Help the Aged, FREEPOST, London EC1B 1JY.

Or phone 0171 855 0855

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Morgan funds may need more Deutsche cash

NIC CICUTTI
and JILL TREANOR

Another £39m was yesterday taken out of the three beleaguered Morgan Grenfell funds, bringing the total redemptions since trading resumed on Thursday to £230m.

There is concern that this is already close to the £300m cash the funds have as a protection against a run.

Any further deterioration could force the parent, Deutsche Bank, to pump in more funds on top of the £180m supplied last week.

Sources close to the affair denied that there was any pressure to top up the funds, but it is likely that contingency plans have been discussed in case the ceiling is breached.

Morgan Grenfell said yesterday's £39m was well below the £53m sold on Friday.

A spokesman claimed the tide had turned after a fall from 90,000 to 75,000 investors in the funds. He said: "As expected, the rate of redemptions has slowed significantly. There is still enough cash in the funds and we will continue to monitor the situation closely."

Experts believe that if redemptions continue even at the new lower level, some of the underlying securities would have to be sold in a hurry, and unitholders could lose out.

Andrew Beagley, head of investment funds policy at Imro, said Morgan Grenfell still had several options to counter this threat.

In the event of rapid sell-offs of units, a manager can ask the trustees for permission to raise a loan of up to 10 per cent of the fund's value, in order to meet redemptions.

Alternatively, Deutsche Bank has the option of injecting cash in the three funds by becoming a big unitholder in them, though

there are regulatory difficulties to surmount if the cash is used to repay unitholders.

In a letter to unitholders, the second in four days, Morgan Grenfell said: "If, following investigations, compensation is found to be due to investors in these funds under Imro rules or any other applicable legislation then it will be paid by us."

"This will be the case whether or not investors have subsequently sold their investments in these funds."

Other unit trust managers have jumped on the problems at Morgan Grenfell and offered investors the chance to sell out of their Morgan Grenfell units and buy into their own unit trusts at no initial charge.

Meanwhile a team of forensic accountants employed by Ernst & Young, the accountancy firm, is working round the clock to delve into a Jersey account held by Mr Young.

The account contained most of the shares in a mysterious Luxembourg firm, Russ Oil & Technology, which was cited in the injection last week in which Morgan Grenfell froze Mr Young's assets.

The Jersey account, believed to be a "nominee" account, used by Morgan Grenfell employees for tax reasons when they receive their bonuses in shares, is perplexing investigators as confusion appears to surround the status of Russ Oil.

The company bought much of a share placing by oil exploration firm Solv-Ex, handled by the brokerage firm Fiba Nordic Securities which has also become wrapped up in the affair.

Fiba, which does not deal for private clients, believed Russ Oil was owned by Morgan Grenfell. The contents of the Jersey account stunned Morgan Grenfell.

Russ Oil & Technology may have been one of the Luxembourg firms set up by Mr Young

to help hide the extent of his exposure to unlisted, risky high technology stocks in Scandinavia.

Another brokerage firm, Ice Securities, which specialises in pricing unlisted stocks, was asked by Mr Young to value the unlisted Luxembourg companies with a view to bundling them together to list them on a stock exchange.

Ice Securities said it was first hired by Morgan Grenfell on 15 July and continues to work for the asset management operation.

Peters & Peters, the solicitors representing Mr Young, said yesterday that there had been no allegations of criminality. The Serious Fraud Office had not opened a case on the affair but is aware of the inquiry and has been in contact with Imro.

The highly sensitive issue of Deutsche Bank's triple-A credit rating - one of only a handful world-wide to have this status - was highlighted when Moody's Investors Service said it was looking at the implications of the Morgan Grenfell Asset Management situation.

Linda Montag, a senior analyst at Moody's, described Morgan Grenfell as "another issue to look at". Moody's said in July that Deutsche's rating had been given a "negative outlook" because of deterioration in earnings and growing business risks as it expands into investment banking.

But she said there was no actual review under way of Deutsche's credit rating, which would be a much more serious issue for its standing in the bond markets because a review implies pressure for a reduction.

Apart from Deutsche, Union Bank of Switzerland and Rabobank of the Netherlands are the only other banks to enjoy triple-A ratings without any kind of sovereign guarantee.

Outgoing Morton says agreement must serve shareholders' interests



Sir Alastair Morton walking off stage yesterday after delivering his last set of results

Photograph: Andrew Buurman

Eurotunnel £8bn debt deal close

MICHAEL HARRISON

Eurotunnel, the Channel tunnel operator, is on course to reach agreement on the rescheduling of its £8bn debt mountain by the end of next month, its outgoing chairman, Sir Alastair Morton, said yesterday.

Announcing that he will retire from Eurotunnel around the end of October after nine and half years at the helm, Sir Alastair said that all the conditions were in place for a deal with its 225 creditor banks that will see them convert a large proportion of their borrowings into equity.

"We have led the banking horse to water. It is now up to

them to drink," Sir Alastair said. "The pieces are all on the table, what now needs to happen is to complete the negotiations on those pieces but there is very little left to talk about. There are about eight hours of serious negotiation left which is why I have given eight weeks to do it."

However, Sir Alastair insisted that any agreement would have to serve the interests of Eurotunnel's shareholders. "No body is under any illusion that 750,000 investors are going to vote for a solution that wipes them out or deprives them of a fair share of long-term cash flow," he said.

The initial debt-for-equity swap is not expected to leave the

banks owning more than 49 per cent of Eurotunnel but it is possible they will be entitled to swap additional debt for convertible bonds which, if exercised, would give them control.

In the event that no agreement is reached, the French courts could start the process of putting Eurotunnel into liquidation. Lord Wakeham and Robert Badinter, the two mandatories ad hoc appointed by the French commercial courts to help negotiate the debt rescheduling, are due to complete their mandate by the end of September and are not expected to be re-appointed.

As a sop to shareholders while they await the outcome of

the long, drawn-out talks, Eurotunnel has decided to offer some limited additional travel perks consisting of special cheap rates on Eurostar services to Paris and Brussels and discounts on Shuttle fares.

News of progress in the debt rescheduling talks came as Eurotunnel reported a pre-tax loss of £372m for the first six months of the year - a £93m improvement on the same period in 1995. The loss was struck after £330m of interest payments although Eurotunnel has paid little interest since announcing a debt standstill last September.

At the operating level, it made a loss of £27m after depreciation.

Job cuts likely as P&O and rival merge

CHRIS GODSMARK
Business Correspondent

Some 1,400 job losses worldwide are in prospect after the shipping operator P&O announced the merger of its container businesses with Dutch rival Royal Nedlloyd to create one of the world's largest container fleets.

The news was warmly welcomed by analysts who have criticised P&O in the past for the slow progress of its rationalisation. P&O's shares surged by more than 8 per cent, from 517p to 559.5p, making it the best performer in the FT-SE 100 index.

Last night Tim Harris, who will be chief executive of the combined group, did not discount the prospect of further acquisitions as the worldwide container shipping industry restructures. "The combination of P&O and Nedlloyd creates a very strong company and we'll be in a strong position for new opportunities," he said.

Lord Sterling, P&O's chairman, said discussions about the merger had been going on for "six or seven months" which meant the venture, which will have sales of £2.6bn and assets worth £1bn, was likely to be in operation as early as next month and certainly by the end

of the year. The merger will have to be cleared by the competition authorities in Brussels, although Lord Sterling did not foresee any problem.

The new company, P&O Nedlloyd, will be jointly owned by the two firms, though Nedlloyd will pay P&O £115m to reflect the slightly lower value of its assets. P&O's other businesses, including the ferry operations, will remain separate, as will two of its cargo companies, Southampton Container Terminal and Tilbury Container Services.

Mr Harris said the 9,400-strong workforce of the combined company would be cut to 8,000 by the end of next year, contributing £84m out of total annual cost savings of £129m. The other savings would come from the joint operation of the container fleet itself.

P&O said 250 of the job cuts would be in the UK and 300 in the Netherlands. A spokesman declined to say how many of the job cuts would come from P&O, though it is thought that the British firm will close its Rotterdam office while Nedlloyd will shut its UK offices.

Combined with Nedlloyd's operations, the new company will be the largest in the world in terms of slot capacity.

Factory gate inflation hits a 29-year low

DIANE COYLE
Economics Editor

The rosy flow of economic news continued yesterday with figures showing that the core rate of inflation at the factory gate has fallen to its lowest level since 1967.

The latest data will help retail price inflation to reach its 2.5 per cent target later this year. City analysts said it would allow Kenneth Clarke, Chancellor of the Exchequer, scope for a pre-election cut in interest rates despite the mounting evidence that the economy is strengthening.

There were fresh signs yesterday of faster growth in retail sales. The year-on-year increase in the value of sales climbed to 6.9 per cent last month, according to the British Retail Consortium. Its survey of big stores showed particular strength in furniture and carpets, DIY, electrical goods and housewares.

Andrew Higginson, chairman



of its economic affairs committee, said: "Sentiment in the industry is improving as consumer confidence strengthens and the housing market picks up."

Kevin Darlington, an economist at Hoare Govett, said: "The Chancellor knows weak cost pressures will give him a good enough case for a reduction in rates despite the faster growth."

The price paid by manufacturers for raw materials rose 0.3 per cent during August, but remained 2.2 per cent lower than a year earlier. There was no change in prices charged at the factory gate in the month. The year-on-year growth rate in "core" prices - excluding food, drink, tobacco and petrol - fell to 1.3 per cent, the lowest since November 1967.

Declining commodities prices lie behind the subdued input cost pressures. Although the oil price rose nearly 4 per cent during August, other prices fell.

The mini-recession in manufacturing earlier this year has also contributed to the downward trend in output price inflation, which will ripple further along the prices pipeline. The target measure of retail price inflation is expected to show a drop to 2.6 per cent in August when the figure is published on Thursday. Most economists expect inflation to remain low in the next six to nine months. However, some predict it will then start to climb above the Government's target.

Geoffrey Dicks at NatWest Markets said it would be harder to keep inflation low when costs had stopped falling and demand was strengthening.

Kevin Gardiner at Morgan Stanley argued yesterday's figures did not signal a favourable outlook beyond the next few months. "Manufacturing is only a quarter of the economy and inflation is a lagging indicator. We know that prices in services are a lot more buoyant," he said.

Figures on unemployment and earnings due tomorrow will provide further evidence of the gathering pace of the pre-election economic expansion.

Yet there is little agreement about the Chancellor's next move on interest rates. The next monetary meeting between Mr Clarke and Eddie George, Governor of the Bank of England, is due on 23 September.

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down by more than this in pre-trading before the official market opening. The cut-off point was stretched to 15 per cent and then 20 per cent to allow trading to start.

Meanwhile, there are fears of a further 5,000 job losses in Olivetti's 18,000-strong workforce as the group struggles to end years of losses.

In a speech on Sunday night Mr Caio confirmed his intention of selling off Olivetti's computer division in order to concentrate on telecommunications.

"We have to make choices," he told a political rally in Modena.

"We are busy looking for partners to whom we can entrust our PC sector in order to concentrate on development areas."

The possibility of a domestic rescue by the Stet PLC holding company was ruled out by Mr Caio himself who stressed that Stet and Olivetti's Omnitel mobile phone division were competitors and would remain so.

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London investors see Olivetti plunge into free fall

MICHAEL HARRISON
London
and ANNE HANLEY
Rome

London investors who own almost immediately as they opened 17 per cent down at 619 lire against a price of 749 lire before dealings were suspended last week.

London-based fund managers, including ING Barings Asset Management, Nomura Asset Management and PDM, have seen the value of their investments plunge by almost 40 per cent since they took part in a £913m rescue rights issue last December.

Francesco Caio, Olivetti's chief executive, was due to

travel to London yesterday to see important customers but his trip did not take in any of the key investors who will help determine Olivetti's fate.

Those shareholders are still attempting to arrange meetings with the company after the shock departures last week of Carlo De Benedetti, its chairman for 18 years, and Renzo Francesconi, who precipitated the current crisis by resigning as chief operating officer after questioning Olivetti's half-year results.

An official from Consob, the Italian stock exchange regulator, said that trading in the shares would resume this morning but added that Olivetti had been given 24 hours to respond to a list of seven questions about its first half figures when the company reported a loss of 440bn lire.

Earlier it had been another day of chaos on the Milan bourse. Shares are normally suspended automatically if they fall by more than 10 per cent but Olivetti shares were already

down by more than this in pre-trading before the official market opening. The cut-off point was stretched to 15 per cent and then 20 per cent to allow trading to start.

Meanwhile, there are fears of a further 5,000 job losses in Olivetti's 18,000-strong workforce as the group struggles to end years of losses.

In a speech on Sunday night Mr Caio confirmed his intention of selling off Olivetti's computer division in order to concentrate on telecommunications.

Comment, page 15

"We have to make choices," he told a political rally in Modena.

"We are busy looking for partners to whom we can entrust our PC sector in order to concentrate on development areas."

The possibility of a domestic rescue by the Stet PLC holding company was ruled out by Mr Caio himself who stressed that Stet and Olivetti's Omnitel mobile phone division were competitors and would remain so.

Comment, page 15

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Comment, page 15

STOCK MARKETS					
FT-SE 100	Dow Jones	Nikkei	Hang Seng	Hong Kong	Frankfurt
5240.00	8240.00	15100.00	10200.00	10200.00	10200.00
Change	+17.00	+0.5	+0.5	+0.5	+0.5
1996 High	3918.70	2632.30	4.00	4.00	4.00
1996 Low	4568.60	4015.30	3.43	3.43	3.43
FTSE 250	4424.50	+21.30	+0.5	+0.5	+0.5
FTSE 350	1956.10	+9.00	+0.5	+0.5	+0.5
FT Small Cap	2169.43	+1.65	+0.1	+0.1	+0.1
FT All Share	1932.67	+8.20	+0.4	+0.4	+0.4
New York	5704.25	+44.30	+0.8	+0.8	+0.8
Tokyo	20202.27	+48.74	+0.2	+0.2	+0.2
Hong Kong	11212.90	+187.01	+1.7	+1.7	+1.7
Frankfurt	2548.73	+21.73	+1.3	+1.3	+1.3
Source: FT Information					

INTEREST RATES					
Short sterling	UK medium gilt	US long bond	Money Market Rates	Bond Yields	Bank of England
3 Month	5.60	6.06	7.88	7.92	8.01
6 Month	5.41	6.17	6.93	6.22	7.12
1 Year	5.34	6.56	6.30	2.97	6.58
2 Year	5.34	6.56	6.30	2.97	6.58
3 Year	5.34	6.56	6.30	2.97	6.58
4 Year	5.34	6.56	6.30	2.97	6.58
5 Year	5.34	6.56	6.30	2.97	6.58
10 Year	5.34	6.56	6.30	2.97	6.58
15 Year	5.34	6.56	6.30	2.97	6.58
20 Year	5.34	6.56	6.30	2.97	6.58
25 Year	5.34	6.56	6.30	2.97	6.58
30 Year	5.34	6.56	6.30	2.97	6.58
Source: Bank of England					

CURRENCIES					
£/\$	£/DM	£/¥	£/A\$	£/NZ\$	£/S\$
1.5600	0.6410	154.85	0.6410	0.6410	0.6410
Change	+0.030	+1.5485	+0.030	+0.030	+0.030
1996 High	0.6412	154.85	0.6412	0.6412	0.6412
1996 Low	0.6412	154.85	0.6412	0.6412	0.6412
FTSE 100	5240.00	15100.00	10200.00	10200.00	10200.00
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Source: FT Information					

Scottish TV planning link with BSkyB

MATTHEW HORSMAN
Media Editor

A new all-Scottish channel, featuring two hours of programming a day, is to be launched by Scottish Television, the ITV company, and BSkyB, Rupert Murdoch's satellite broadcaster, sources said last night.

The new service, dubbed Sky Scotland, could be the precursor of a series of regional programming backed by BSkyB, including Sky Wales and Sky Ireland.

The concept would depend on the vastly increased capacity

offered by digital television, which could mean up to 200 channels. Making available regional services would allow BSkyB to compete more effectively with local operators such as cable companies.

The Scottish service, to be broadcast initially on a low-coverage analogue satellite, will be announced on Thursday, with publication of STV's interim results. It is expected that it would also form part of BSkyB's digital service, expected by late 1997 or early 1998. The half-year profits are expected to show good growth.

Clarke well placed to engineer boost for Tories



COMMENT

The best inflation outlook since the late 1960s combined with the best growth outlook since the late 1980s, Kenneth Clarke could not have asked for a better economic background for the election campaign if he had engineered it himself. Come to think of it, is that not precisely what he has done?

The Chancellor is still chanting the old mantra - that good economics is good politics - but most of us have come round to a more cynical view.

It is both that a good old fashioned pre-election boom has indeed been put in train regardless of its long term consequences, and that booms of this type do help unpopular Governments win elections. That view has rather been backed by John Major's unfortunate letter to disaffected voters. He writes at least in hope of the feelgood factor, even if it lasts only as long as it takes for him to get re-elected.

Financial markets never believed the rhetoric and it looks increasingly as if they were right. The high long-term interest rates demanded of the UK government by the markets are a resounding vote of no confidence in its monetary policy. The markets believe that inflation near the 2.5 per cent target will be a brief interlude.

Mr Clarke can repeat that his is the best inflation record in a generation until his face is as blue as his campaign rosette. It will cut no ice with markets that know that inflation is a backward-looking indicator.

The signs of higher inflation in the future

are clear in all those "highest since 1989" indicators such as narrow money, house prices, record consumer credit and buoyant surveys. Even clearer are the signs that the Budget at the end of November will bring tax cuts on at least the same scale as last year. They will take place against a background of consumer windfalls from building society flotations.

As for interest rates, if Mr Clarke does hold off reducing them again, it will be an electoral first. In 1987 there were four base rate cuts in the three months before the election, bringing the level fell from 11 per cent to 9 per cent. There were two reductions in the seven months before the last election. The last Chancellor to raise interest rates in the run-up to an election was Denis Healey in 1979. It is hard to see Mr Clarke seeking any parallel with the late 1970s.

Week two of the Morgan Grenfell debacle and the numbers involved seem to grow ever larger. From the basic cash injection of £185m which Deutsche Bank was originally forced to provide, the German parent could now find itself liable for very substantial compensation on top. Deutsche is at this stage denying any further monetary responsibility, but this hardly seems a sustainable position long term. A reasonable starting point would be that investors should at least be returned to the position they were in before the irregularities began. The more extreme case would have investors

compensated from that point even if they had since made a profit. Depending on when the irregularities began, this could lay Deutsche open to compensation claims of hundreds of millions of pounds.

It hardly needs saying that if Morgan Grenfell was still an independent investment bank, it might have been wiped out by such an outcome. Fortunately it has a deep pocketed German bank as its parent. For the dwindling band of British merchant banks that have chosen to remain independent, the implications of this latest disaster could hardly be more uncomfortable.

Since acquiring Morgan Grenfell, the Germans have positively gone out of their way not to interfere; the bank has carried on as if it were still independent. In these circumstances it might be possible to draw the link between independently run British investment banks and a propensity to fall victim to calamitous fraud.

Certainly that is what many American investment bankers argue - that old style City merchant banks lack the size, discipline, controls and knowledge to cope in the fast moving financial markets of today. The evidence for this is ambiguous. True, before Morgan Grenfell there was Barings. And Robert Fleming was perhaps lucky to escape from its recent problems in Hong Kong with damage of just £12m in compensation and fines.

On the other hand, even the big players have not been immune to scandals of this

sort. Deutsche itself has had its very own derivatives debacle. But even accepting that scandal of this sort is random in the way it strikes, that there is little you can do to stop the determined fraudulent trader, the point is still the same.

Big players with lots of capital survive such traumas, and so do clients disadvantaged by them; smaller ones do not. The implications of this sorry story for the small clutch of independents still holding out in the hills - Schroders, Robert Fleming, Hambros, NM Rothschild, and yes, even Cazenove - however switched on, and however good their internal controls, are not good, not good at all.

Directors of some of our largest companies have been complaining about the burden of complying with the Cadbury and Greenbury rules on corporate governance. They would say that, wouldn't they, given that the rules are designed to set limits to their powers.

But while these attitudes have been common currency in the boardroom, they have found few public echoes among the big investing institutions that control half the shares in British public companies, at least in their public utterances. The Cadbury and Greenbury codes are, after all, meant to make companies more open and accountable to these shareholders, and it would seem churlish to complain.

Now Britain's biggest pension fund man-

ager, Mercury Asset Management, has said what many institutions have been saying in private for a long time, which is that an over zealous application of the Cadbury and Greenbury rules is not going to work.

As we reported yesterday, MAM has sent a statement of its principles of corporate governance to more than 1,100 clients, making clear it is not prepared to let the codes override its better judgement about what is or is not in the economic interests of shareholders. The codes were never meant to be legal documents, and they are full of let-outs and loopholes, which remain even where chunks have been incorporated in the stock exchange rulebook.

Common sense says that where there are uncertainties about the application of the rules, the best guide is usually to choose the course of action that most benefits shareholders.

These codes have had their effect, and though they no doubt have many faults, it is important not to allow them to be dismissed as worthless. At the very least the constant airing of corporate governance issues has made MAM's pension fund clients anxious to see their fund managers exercise voting rights more often.

The fact that MAM has for the first time decided to compile a public statement of corporate governance principles is itself very good evidence that the Cadbury and Greenbury committees have changed the framework in which people think.

Calor set to turn up price of gas next winter

CHRIS GODSMARK
Business Correspondent

Three million households and businesses who regularly buy bottled gas from the market leader, Calor, were likely to face winter price increases, the company said yesterday.

The price hike could come in response to the recent rise in oil prices, which are at some of their highest levels since the start of the Gulf War in 1990. Liquid petroleum gas, which Calor sells in its familiar metal "bottles", is mostly extracted from crude oil during the refining process.

Calor, which has 50 per cent of the UK market, had cut its bottled gas prices for retail customers from 20p a litre to around 18p in response to cut-throat competition from oil companies such as Esso. But John Harris, Calor's chief executive, said yesterday: "The black cloud on the horizon is that as we go into the winter the cost of gas will rise. I cannot shield the customer totally."

Mr Harris declined to put an estimate on the size of the price rise, which depends on the level of oil prices over the next few months. About half of the 3 million customers are businesses, with the rest made up of households which generally do not have access to piped natural gas.

The impact of any price increase would be reduced because Calor has stored about one-third of its winter supply in vast tanks at Felixstowe and Immingham, near Hull. But Mr

Harris said this lower-cost stored gas was "nowhere near what we need for the winter".

Oil prices rose earlier this year from \$18 (£11.50) a barrel to \$23 after the cold winter drastically cut US stocks, and prices have hovered at around \$20 ever since. Analysts have suggested prices are unlikely to fall significantly, given that Iraqi oil supplies are not expected to come on stream following the recent US air strikes. Yesterday Brent crude was trading at \$22.40 a barrel.

The news came as Calor announced a small drop in pre-tax profits in the first half of the year from £26.2m to £25m. Earnings were hit by a £14m roof-and-branch restructuring programme which involves shutting the head office in Slough and building a new customer service centre in Leamington Spa with the loss of 200 jobs.

Calor claimed its joint venture to supply the domestic natural gas market in competition with British Gas was "exceeding expectations".

The company, called Calortex, is involved in the competition trial under way with 500,000 households in the South-west.

So far more than 60,000 customers have switched from British Gas, with many moving in the gas business set up by Swel, the local electricity company. Mr Harris said Calortex was now on course to match or overtake Swel, though he said precise figures were confidential.

Investment column, page 16

IN BRIEF

• Mercury One-2-One has increased its available funding capacity to £2.2bn. The funding comprises £1bn from shareholders Cable & Wireless and US West and a £1.2bn syndicated loan. Arrangers of the senior debt - Paribas, HSBC and Citibank - have brought 12 additional banks into the credit, an oversubscription of 50 per cent. The credit, which is to go into general syndication later this week, has an eight year final maturity and is priced 1.5 percentage over Libor. The bank loan has no recourse to shareholders but is secured by the One-2-One business.

• Andersen Worldwide, the international professional services firm that comprises the accounting firm Arthur Andersen and the technology consultancy Andersen Consulting, announced a 16 per cent rise in revenues for the year to 31 August, from \$8.1bn to \$9.4bn. It also said a meeting of all 2,800 partners planned for later this month to discuss possible changes in organisational structure would be postponed because the review was not yet complete.

• John Lewis Partnership has begun Sunday trading for the time outside the Christmas period. A spokeswoman for the high street retailer said its Cheadle store in south Manchester would open on Sundays from noon to 4pm "permanently" in an attempt to capture the back-to-school market.

• German prosecutors extended an inquiry into alleged corporate tax evasion at Commerzbank to the bank's management board chairman, Martin Kohlhaussen. Mr Kohlhaussen probe is part with several balance sheet items. The Kohlhaussen probe is part of a seven-month-old investigation into Commerzbank, Germany's third largest bank, which was forced earlier this year to repay several hundred millions of marks in back-tax for the period from 1984 to 1995.

• Volkswagen chairman Ferdinand Piech said the company's Mosel plant was in danger of being shut down in the dispute with the EU over the payment of subsidies. In an interview with weekly Der Spiegel, Piech said: "I don't think that many people realise what is at stake here. The whole future of the plant and its suppliers is at stake - more than 20,000 employees."

• Phar-Mor and ShopKo agreed to merge, forming a new holding company for the two drugstore retailers worth \$1bn. They said the new entity, Cahnt Noble Inc, was expected to have combined annual sales of about \$3.2bn from 232 stores in 29 US states. The deal involves a three-way exchange of shares and will realise potential annual savings of approximately \$15m-\$20m.

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business

Kodak deal lets Danka turn up the volume

Shares in Danka Business Systems soared 85p in 560p after the company confirmed it was buying Eastman Kodak's office imaging and facilities management business for \$684m in cash.

The business resulting from the acquisition will create the largest independent office equipment company in the world, offering global coverage in office products and services with more than 700 offices in 35 countries. The deal will bring Danka's annual sales to around \$3.5bn and will double its recurring revenue stream from service, supplies and rentals to more than \$2bn.

Danka said the deal also put it in a leading position in fastest-growing end of the market - photocopiers capable of handling a high number of pages per minute, which account for 43 per cent of the North American market. Kodak is one of only three manufacturers of high-volume photocopiers and the only one to allow distribution by third parties.

Danka entered the high-volume market in September 1995 when it agreed to distribute Kodak products in North America. That agreement laid the ground work for the acquisition.

"We got to know their people, their very fine service," said Mark Vaughan-Lee, Dank's chairman. "When Kodak announced in January that it was seeking in reposition its office imaging business, we registered our interest. We were not alone."

Unlike Kodak, Dank does not manufacture photocopiers and was interested only in the marketing, sales and service side. In addition, the acquisition will allow Dank to offer its customers a full range of products and service. "We'll be able to jointly go to customers and offer the full range of machines,



Mark Vaughan-Lee (left) was impressed by Kodak's fine service

the full range of service," Mr Vaughan-Lee said.

Danka will also set up a strategic alliance with Kodak, under which Kodak will supply high-volume copiers and printers to Dank, which will become the principal distributor of Kodak-branded office copiers and printers.

Danka said it would take a one-off restructuring charge of \$25m-\$35m on the deal in its third-quarter results for integration of the Kodak acquisition but the purchase should be earnings-enhancing in the first 12 months of operations.

The acquisition will be funded with bank debt under a six-

year, \$1.2bn fully underwritten commitment, which will also refinance Dank's debt and revolving credit facilities.

Dan Doyle, Dank's chief executive, said the transaction and the alliance with Kodak, which is keeping its manufacturing businesses in copiers, would give Dank a full line of products to compete against market leader Xerox Corp.

Danka's shares, as high as 848p earlier this year, had been in the doldrums since the company warned in June that first-quarter earnings would be below market expectations. That news sent the shares diving to a 12-month low of 388p.

Wilson Bowden opens new doors

THE INVESTMENT COLUMN

EDITED BY MAGNUS GRIMOND

Full-year profits of at least £37m would put the shares, up 20.5p at 440.5p, on a forward multiple of 15. Reasonable value.

Calor generates little excitement

Calor Group, which dominates the British market for bottled gas, has never set the world alight and yesterday's interim results continued that tradition. Yet behind its conservative exterior lies a company in transition to what could be a much more exciting future.

The main worry surrounding Calor has been the decline in the British market for liquid petroleum gas. Worse still, Calor has watched its share of the market slide in recent years from 60 to around 50 per cent. Enter John Harris, the recently appointed chief executive who earlier this year announced a root-and-branch restructuring of the UK business. The new approach has clearly begun to pay dividends in the first six months of the year. For the first time in a long time Calor has increased

its share of the UK market, with the 1 per cent rise suggesting the long decline has finally been stabilised.

Operating profits before restructuring costs jumped by 22.5 per cent, but after a £14m restructuring charge and losses from associates, partially offset by disposal gains, that translated into pre-tax profits down from £26.2m to £25m in the period.

Sorting out the core business should guarantee annual profits of around £45m, but even so, future projections suggest the UK market for bottled gas will be flat at best.

But Calor has found more opportunities to expand overseas than it anticipated. The biggest foreign venture, in Brazil, has increased turnover by 20 per cent, but significant profits will not come through until the end of the decade. Calor's foray into the UK domestic natural gas market has also been more successful and less costly than most competitors, judging by the early results of trials in the South-west of England. But full competition won't happen until 1998, so worthwhile profits are unlikely until the next century.

The transitional costs involved will probably constrain full-year profits

this year, but by 1997 current forecasts suggest the shares, up 0.5p to 253p, should be back on a modest multiple of around 14.

Optimists will hope that Calor is going to be a much livelier company in the future, but its history since the private Dutch group SHV took its dominant stake, now 51 per cent, suggests otherwise. Unexciting.

Fairey slowly changes its spots

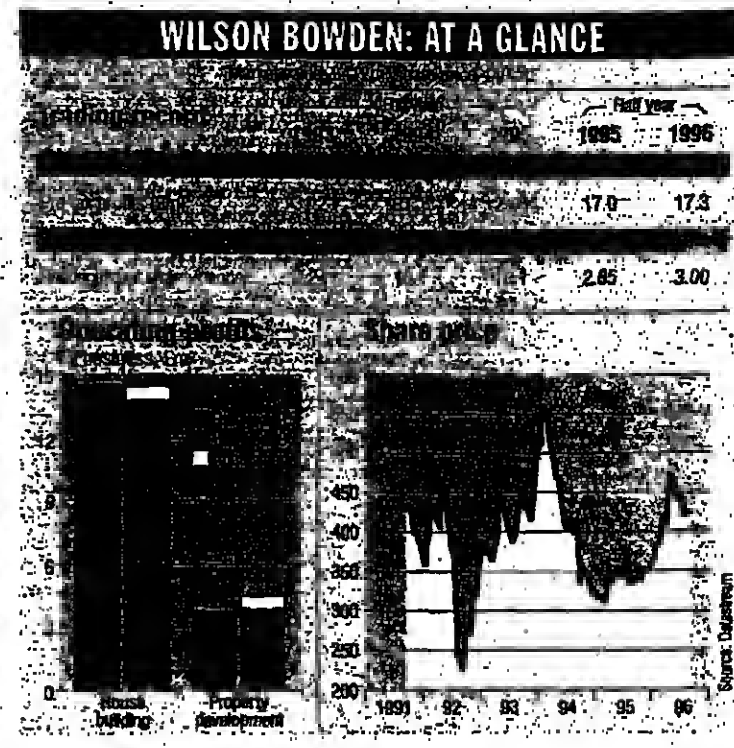
Fairey, a famous name from the early days of British aviation, has had a second lease of life since its demerger from Pearson nearly eight years ago. After yesterday's 19.5p jump to 697p, the shares are now registering an 800 per cent gain over that period. But Fairey is a changed beast.

A series of 11 acquisitions totalling £240m over the past five years has helped turn electronic process and control equipment into the core of the new Fairey. It was the addition from January of Particle Measuring Systems, a maker of contamination-detecting machines for the electronics and drugs industry, which provided the biggest boost to yesterday's interim figures. Pre-tax profits up from £16.2m to £21.3m in the six months to 29 June included £3.88m from PMS. The interim dividend rises a chunky 12 per cent to 2.85p.

Up from £10.9m to £15.8m in the half year, the electronics businesses now contribute more than 70 per cent of group profits, but despite the signs of a slowdown in the market, chief executive John Poulter remains unrepentant about this bias. That is just as well, as his latest buy, Fusion UV Systems of Maryland, which completed on Friday, has cost half as much as all the other acquisitions put together.

Underlying growth in the electronics division remains around 9 per cent. That is below historic growth rates of between 10 and 15 per cent, but remains healthy by most standards. In any case, only 15 per cent of Fairey's sales are exposed to the semiconductor industry, whose long-term future must surely remain bright.

Of more concern is the general state of manufacturing industry, which groups some of Fairey's most important customers, and the limited growth prospects of its other three divisions. Profits of £45m this year suggests the shares, on a forward p/e of 21, are up with events.



Bus companies travel by rail

CHRISTIAN WOLMAR

Bus companies have won the latest two rail franchises to be allocated as the privatisation process passed the half-way mark.

One of the winning bidders, headed by the Go-Ahead bus company, is even promising a new rail link in Heathrow Airport. Victory Railway Holdings, a consortium led by Go-Ahead, but with a 35 per cent management and employ-

ee stake, has won the right to run Thames Trains, which operates regional and suburban services out of Paddington.

Go-Ahead has an annual turnover of around £190m, owning two bus companies in London and bus operations in the North-east, Brighton and Oxford. This is the first venture by the company into rail and involves passenger revenues of around £65m.

Victory has plans to improve services and is considering

building a new station between Hayes and West Drayton, to be called Heathrow North, which will serve the airport through a frequent bus link. This will be in addition to the Heathrow Express service from Paddington being built by airport operator BAA and due to open in 1998.

Heathrow North would be aimed primarily at staff living in Berkshire and west London getting to the airport whose roads are increasingly becoming gridlocked by cars.

Separately, Stagecoach, which controls South West Trains, has won the right to run services on the tiny Island line on the Isle of Wight. There are eight stations on the eight-mile line which is operated by former London Underground trains. Stagecoach's victory is a blow to Southern Vectis, the company with a monopoly of services on the Isle of Wight and which also had bid for the line, the only one being franchised out as an integrated operation.

Retuning just not worth the risk,

BUSINESS & PEOPLE



Concerned: Ward Thomas values his wife and young

dearly my wife and young son and have no wish to expose them to the risk of contact with...

And here we have to leave Mr Thomas's letter, dear reader, as he casts aspersions that a family newspaper such as this could not possibly repeat. He concludes that Channel 5 is a programme service "which we can well do without". Perhaps they

could turn this row into a television series.

Hugh "Sooty" Corbett, the man who built and then sold the Slug & Lettuce and Harvey Floorbanger's pub chains, is about to open a boozery just down the road from the Bank of England, called the City Tap.

Mr Corbett says he always gets apprehensive before he opens a new pub. "It's rather like giving birth, perhaps not as messy."

He has bought a bar in Gresham Street formerly known as Shorts and is ploughing £250,000 of his own money into sprucing it up for a November opening. Like many institutions, Mr Corbett finds City reins "mind blowing". Before a pint is pulled, he has to deal with rent of £116,000 a year, rates of £37,000 and an additional management fee.

Despite the expenses, Mr Corbett remains a sole trader. He may seek in raise capital next spring through an AIM listing or private shareholders, but he remains be-

mused by the ways of the City.

"People see pubs as a good wheeze and then float them on a p/e of 198 million. I know that if a pub makes a profit of £150,000 then it's worth roughly four in five times that. A lot of pub chains trade on a p/e of 30. It baffles me."

Mr Corbett fears that p/e force chains to expand simply to increase earnings, whereas he wants to limit the Tap chain to around 8 at most. "I'm not about to create an empire," he says. So Bass is safe for the moment.

Sir Alastair Morton was in an end-of-term mood yesterday as he presented his last press presentation for Euro-tunnel, nine-and-a-half years after becoming co-chairman of the project.

Sir Alastair will retire at the end of October and then go on a long holiday - "at least six months, in Costa Rica or the South Pacific," he says. Bob Malpas replaces Sir Alastair as chairman.

Sir Alastair won't be drawn on a new job after his role. Sources stress he is only 58, and he has "one more big industrial job in him".

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THE INDEPENDENT section two

IN BRIEF

• **Brunner Mond**, the alkaline chemicals group, will be valued at between £130m and £150m by the flotation planned for later this month. Yesterday's prospectus sets out an indicative price range of between 170p and 210p for the shares, which are due to start trading on 26 September. The historic p/e ratio based on the mid-point of the range is 11.2 and the notional dividend yield 5.6 per cent. The float will raise up to £46m, with £12.5m going to the company and £33.5m to current preference shareholders.

• **Polypipe**, the plastic pipes to garden furniture group, said the trading background continued to be highly competitive, but the group was well placed to take advantage of any upturn. Pre-tax profits rose 12 per cent to £28.5m in the year to June, the eleventh successive increase since flotation in 1985. The dividend goes up 12 per cent to 2.97p after a final of 2.14p. Borrowings of £800,000 have turned into a cash surplus of £6.8m.

• **Unipart**, the logistics and car parts group, saw pre-tax profits rise from £16.2m to £17.9m in the six months to 29 June. Turnover grew by nearly a fifth to £304m. The group said the highlight of the period was the announcement last month of the formation of four joint venture companies with Japanese and European partners representing an £80m investment in the UK.

• **Rugby**, the building materials manufacturer, warned of a mixed outlook for the rest of the year after the bad winter caused first-half profits to slump. The pre-tax total slid from £36.1m to £29m, although the dividend is held at 1.5p. Rugby blamed adverse weather in the UK, US and Continental Europe and competition affecting the UK joinery business, which saw profits nearly halve. Robin Gourlay is to replace GA Higham as chairman.

• **Hammerston**, the property company, is experiencing good demand for space in its shopping centres and investment interest is strong, even if there have been few transactions. However, lower gains on sales of investment properties hit half-year profits to June, which slipped from £35.4m to £32.1m. The interim dividend goes up from 3.5p to 3.7p.

• **The TT Group** mini-conglomerate said order books provided a sound basis for the rest of the year as it unveiled a 22 per cent rise in profits to £22.8m for the six months to June. Cash in the bank was £24.2m at the period end and the interim dividend rises 15 per cent to 2.8p.

• **Watson & Philip**, the Dundee-based corner shop group and food distributor, has appointed Colin Glass chief executive. Mr Glass comes from Dixons Stores.

• **British Polythene Industries** acquired businesses with a combined turnover of £43m this year. The group unveiled pre-tax profits up 24 per cent to £14.3m in the six months to June, despite lack of volumes in certain areas and continuing volatility in raw material prices. The interim dividend is raised 14 per cent to 6.25p.

• **Perkins Foods** said product initiatives and efficiency improvements would benefit its frozen food operations this year. The group saw pre-tax profits rise 7 per cent to £11.1m in the half-year to June, but is holding the half-way dividend at 1.75p.

BTR sells plastics business for \$300m

MAGNUS GRIMOND

BTR, the industrial conglomerate, has concluded a \$300m (£191m) deal for the sale of its 51 per cent stake in Taiwan Polymer, its poorly performing Far Eastern plastics business.

The disposal comes hot on the heels of last week's sale of the Tilcon quarrying and aggregates operations in the US for \$329m and brings to \$900m the amount raised by the disposals programme instituted by chief executive Ian Strachan, who has undertaken an overhaul of the sprawling conglomerate since taking over in January.

News of the latest sale sent BTR's shares 3.5p higher to 265.5p, although the deal will not affect the half-year figures, due on Thursday, when BTR is expected to cut its dividend.

Analysts generally welcomed the deal, which they said met expectations in terms of price, even if the timing was a little disappointing. The British group

will receive \$120m at completion, with further payments of \$90m in each of the two succeeding years. Mark Cusack at UBS described the sale as "another chunk of light". In itself this was not a massive deal, he said, but added: "There is overwhelming relief in the stock market that they are out and it is another underperforming business which has gone - and very cyclical too."

Taiwan Polymer makes and sells bulk petrochemicals in Taiwan and the US. Its styrene product is a constituent part of polystyrene. The business has been affected by poor demand and weak pricing, causing a drag on profits from the Far East.

Net assets involved in the sale amount to around \$385m, with a further \$35m being provided for contingent contractual liabilities. BTR will therefore take a \$35m loss on disposal. The acquirer is a consortium of USI Far East Corporation and Union Petrochemical Corporation.

COMPANY RESULTS				
	Turnover £	Pre-tax £	EPS	Dividend
ABW Holdings (F)	280.7m (331.6m)	-24.2m (20.8m)	-29.0p (37.2p)	-
ABC Black (F)	4.0m (2.6m)	0.32m (0.25m)	14.0p (11.2p)	4.25p (4.25p)
British Polythene (F)	196.7m (171.5m)	14.26m (11.5m)	23.63p (22.90p)	6.25p (6.50p)
British Vils (F)	456.8m (422.8m)	26.4m (26.2m)	7.7p (7.7p)	4.0p (26.2p)
Chlor Group (F)	162.8m (147.6m)	25.0m (26.2m)	10.1p (8.4p)	6.0p (6.0p)
Consolidated Press (F)	9.5m (6.7m)	0.86m (0.81m)	3.5p (2.5p)	2.4p (2.4p)
Decorated Group (F)	147.8m (138.7m)	11.1m (10.1m)	5.85p (5.19p)	1.15p (5.19p)
Dowling & Mills (F)	119.9m (102.2m)	12.3m (9.4m)	4.87p (3.77p)	1.9p (-)
Enochson (F)	223.7m (104.5m)	-371.7m (-465m)	-	-
Fairey Group (F)	118.4 (94.1m)	21.3m (16.3m)	15.5p (13.0p)	2.85p (2.85p)
File Indenture (F)	17.5m (16.0m)	0.58m (0.60m)	2.51p (2.56p)	1.0p (1.0p)
Fluorid Group (F)	107.5m (98.1m)	8.5m (7.2m)	17.8p (15.3p)	4.5p (-)
Flora Group (F)	10.7m (4.2m)	0.71m (0.38m)	2.8p (1.9p)	-
Fortis Parts (F)	41.1m (18.1)	10.2m (7.1m)	18.0p (14.4p)	4.0p (5.0p)
Hammerston (F)	-	32.1m (30.4m)	8.2p (7.4p)	3.7p (3.7p)
Hay Group (F)	63.9m (52.5m)	8.88m (8.17m)	1.25p (0.45p)	0.5p (0.575p)
Inform Systems (F)	51.2m (41.7m)	0.2m (7.4m)	5.8p (4.3p)	1.3p (1.3p)
John Hume & Co (F)	5.5m (4.4m)	0.13m (0.44m)	0.15p (0.10p)	-
Laser-Son Ridge (F)	3.9m (3.4m)	0.13m (0.44m)	0.4p (0.1p)	-
Reder-SMA (F)	64.5m (58.6m)	-5.8m (2.6m)	-1.27p (2.41p)	1.27p (1.15p)
Parkside Foods (F)	241.8m (228.5m)	11.1m (10.4m)	4.1p (3.9p)	1.75p (2.3p)
Pharmaco (F)	7.7m (6.8m)	0.68m (0.58m)	0.3p (7.7p)	2.25p (2.25p)
Polygroup (F)	208.7m (191.4m)	28.5m (25.5m)	11.5p (10.75p)	2.14p (-)
Rugby Group (F)	592.2m (640.3m)	29.0m (36.1m)	3.0p (3.7p)	1.5p (1.5p)
TT Group (F)	286.7m (231.4m)	22.6m (18.7m)	8.5p (8.1p)	2.8p (2.44p)
Waco Group (F)	75.3m (59.2m)	18.1m (13.9m)	26.3p (24.2p)	3.2p (2.3p)
Waterford Foods (F)	154.0m (152.9m)	10.0m (11.1m)	3.39p (4.36p)	1.36p (1.30p)
Wilson Bowden (F)	147.3m (112.7m)	17.3m (17.0m)	12.3p (12.1p)	3.0p (2.85p)

(F) - Final (I) - Interim (R) - Nine months

مكتبة من الأدب

A new lobby will rise to topple the home-owners



ECONOMIC VIEW
HAMISH McRAE

If one had to choose a moment when the great housing slump of the early 1990s ended, now must be as good as any. We are getting reports from both Halifax and Nationwide of prices having risen by more than 5 per cent in the past year and forecasts that over the next year they will rise by double that. The number of people with negative equity is falling, turnover in housing (though still low by historical standards) is rising, and purchases of goods associated with home-buying, such as carpets, are soaring. All the previous incipient recoveries petered out; now it is clearly for real.

It is sufficiently real for the Prime Minister, John Major, to feel able to cite rising house prices as one of the reasons for his government's return to the fold - that is one of the points in his new mass mailing to voters.

If one takes the end of 1988 as the starting point of the slump and reckon that the end of last year marks the end of it, we have just lived through a biblical seven lean years in house prices. To say that is not to imply that seven fat years will follow, for there are many reasons the swings in house prices are likely to be more muted in future. But for anyone who studies trade cycles, the fact that there has been a clear cycle of that sort of duration does carry some confidence that the next few years will see a positive trend.

Perhaps the best reason for confidence is the present affordability of house prices - their level relative to earnings. The chart on the left shows how this ratio, at just over 3 to 1, is actually a little below the levels of the early 1980s. In the 1960s the ratio did dip below 3 to 1 but not for long. If you regard that as a floor

and take as a reasonable ceiling a ratio of perhaps 3.5 to 1, not the 5 to 1 peak of 1988, then there is still some way for house prices to rise before warning bells should ring.

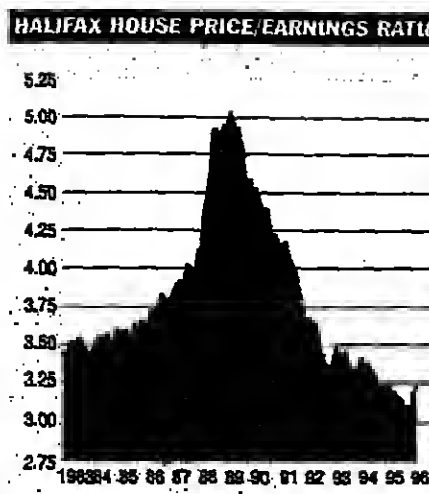
So let's accept the present conventional wisdom that house prices will be reasonably strong over the next couple of years and maybe go a little further and say that prices will stay in that ratio range of 3-3.5 to 1 for the next seven years. If earnings continue to rise at their present 3.5 per cent a year, it would follow that house prices will rise, on average, by something like that.

But look at the consequences of that. Move up to the top of the range and growth will be a bit faster; come back to the bottom and they will be lower. Sure, house prices may run a little ahead of inflation, but this

value of people's homes roughly matched the value of their financial assets. Then came the house price boom and the value of houses hit a peak at roughly double people's financial assets. Now they are back not just to the early 1980s relationship, but beyond it. Financial assets are larger than housing ones.

To many people this may come as a surprise: they may be home-owners but they did not realise they were capitalists too. But if you add up all bank and building society accounts, shares, and include rights to a pension fund, the sums become very large. Remember, too, to knock off the mortgage from the house price.

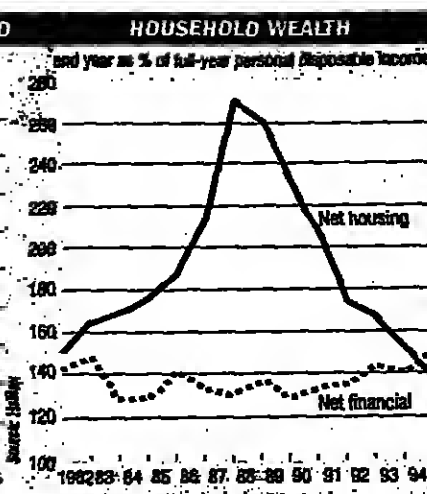
A world where people hold much of their wealth in financial assets rather than property is more normal by world standards and our own his-



You can see the oddity of that period in the right-hand graph, which shows real long-term interest rates since the First World War. The normal range for real interest rates is 3-5 per cent, but that return slithered away in the 1960s and for the best part of a decade until 1982 returns were negative or zero. Savers took their revenge in the 1980s by pushing real yields back to and beyond their long-term norm. Expect real yields to remain in the 3-5 per cent region for the foreseeable future.

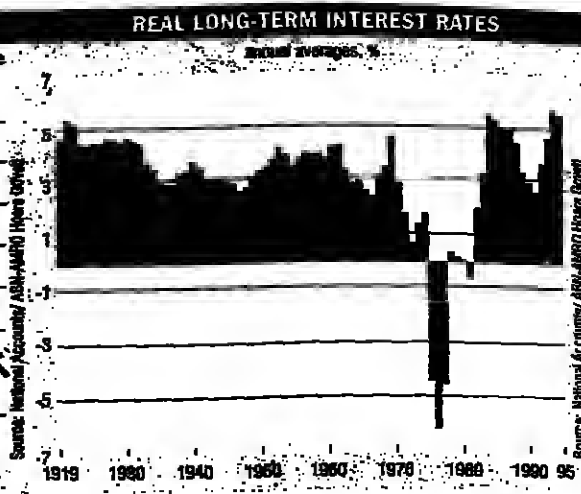
One further point. Those rates are taken by looking at gilt yields; if the savings were invested in equities the real returns would have been considerably higher.

The implications are obvious. Just as it made economic sense between the middle-1960s and 1988 for people to hold most of their wealth in housing, since then it has made sense at least not to have a bigger



house than needed and to build up financial assets. We are rational creatures (at least most of the time) so it is unsurprising that we should be doing just that.

We will go on doing so, too. Expect a further surge in our stock of finan-



cial assets over the next decade. There will be windfall gains for many holders of building society accounts with the flotation of several large building societies. These sales release the equity that people have held for years in the societies, probably without knowing it, and some of that equity will be saved rather than spent. Whichever party forms the next government, there will be further in-

centives for people to boost their private pension plans and other savings. There may even be some form of compulsory savings scheme. Inheritance tax will boost people's stock of savings. And high real interest rates will continue to hold up returns from

making money available for investment by industry and commerce.

If in economic terms this process is beneficial, in social terms it carries some dangers. The frugal who save will benefit at the expense of the people who don't. That might seem fine: virtue is rewarded. But of course it is not just virtue: it can also be luck. The reward is for wealth.

Finally, there are political implications. Successive British governments since the Second World War have been careful not to be a new lobby, the owners not of property but of financial assets. They will want to lean strongly against inflation. They will cheer, not so much if share prices go up, but if share prices do. Come the next election but one, expect the letters to voters from the party leaders to take a slightly different tone.

It does not make sense to hold too high a proportion of one's wealth in housing

is not a re-run of the three big post-war housing booms by any means. The reason is simple: in a low-inflation world it does not make financial sense to hold too high a proportion of one's wealth in housing.

The other two graphs help explain why this should be so. The middle one shows housing wealth in relation to family incomes through the 1980s. At the beginning of the 1980s the

historical standards. Our preoccupation with home ownership was the creation of the tax incentives for borrowing of the 1950s, but it was reinforced by the great inflation of the 1970s and early 1980s. In particular, it was reinforced by the period of negative interest rates during the 1970s, when banks and building societies paid borrowers (so to speak) to take the money off them.

Foreign Exchange Rates

Country	Spot	1 month	3 months	D-Mark	Spot	1 month	3 months
US	15600	5-3	5-3	1000	0.70	0.70	0.70
Canada	2344	11-3	60-37	1376	2-1	2-1	2-1
Germany	23271	52-46	50-142	1496	26-26	86-83	10000
France	23463	51-54	397-367	50839	70-75	220-210	3444
Italy	23256	51-54	142-146	50812	44-41	101-98	10198
Japan	1703	75-70	226-218	10910	46-44	136-135	73331
ECU	1237	15-11	45-40	12669	7-8	25-25	0.0252
Belgium	4737	11-8	31-26	30730	65-45	72-147	20599
Denmark	83579	159-16	448-235	57239	85-86	270-220	1200
Netherlands	28084	65-57	157-174	16721	35-32	107-102	0.0441
Norway	69368	7-3	30-14	16786	4-7	16-17	0.0441
Ireland	93891	20-19	42-40	14048	42-17	19-80	0.0353
Spain	1037	21-31	69-85	9508	22-22	64-72	0.0430
Sweden	16371	0-4	19-19	66482	3-22	40-11	0.0458
Switzerland	18876	54-48	165-162	12164	37-34	118-107	0.0454
Australia	19476	20-31	67-65	12483	19-21	54-58	0.0389
Hong Kong	22062	101-61	224-170	77323	2-12	15-35	0.5382
Malaysia	33027	43-37	133-135	14570	1-14	15-16	0.1770
New Zealand	23425	43-37	133-135	30-32	85-90	0.0325	0.0325
Saudi Arabia	58596	0-0	0-0	37025	2-7	5-14	0.2541
Singapore	23556	0-0	0-0	14075	41-30	103-86	0.0436

Other Spot Rates

Country	Sterling	Dollar	Country	Sterling	Dollar
Australia	15375	10477	China	80006	0.0350
Brazil	15900	10970	France	55289	35.584
Canada	12399	83055	Germany	40905	26.200
China	5332	34050	Italy	23827	36.740
France	7157	4527	Japan	5699	56.615
Germany	25517	16810	UK	57700	0.70
Greece	37108	23770	South Africa	7071	4.670
India	55623	35560	Taiwan	42916	27.640
Kuwait	04681	03000	UAE	5715	3.671

Forward rates quoted high to low are at a discount; low to high are at a premium.

* Dollar rates quoted as reciprocal.

For the latest foreign exchange rates call 0891 123 0333.

Cable cost 35p per minute (cheapest rate) 40p other times.

Interest Rates

UK	Base	575%	Germany	250%	US	Prime	875%	Japan	Discount	050%
France	Intervention	355%	Canada	450%	Discount	525%	Belgium	Discount	350%	
Italy	Prime	700%	Spain	100%	Spain	100%	Switzerland	Discount	150%	
Denmark	Discount	500%	10-Day Repo	725%	Sweden	Discount	150%	Denmark	Discount	150%
Advances	250%	Discount	325%	Repo (Avg)	325%	Denmark	Discount	150%		

Bond Yields

Country	5yr	10yr	15yr	20yr	30yr	Country	5yr	10yr	15yr	20yr	30yr
UK	7.7%	7.2%	7.5%	7.8%	8.0%	Netherlands	5.1%	5.2%	5.1%	5.2%	5.2%
US	6.1%	5.7%	5.8%	5.9%	6.0%	France	5.1%	5.2%	5.1%	5.2%	5.2%
Japan	5.5%	5.4%	5.4%	5.4%	5.4%	Italy	5.1%	5.2%	5.1%	5.2%	5.2%
Australia	6.1%	7.2%	7.0%	7.1%	7.1%	Belgium	5.1%	5.2%	5.1%	5.2%	5.2%
Germany	5.9%	5.7%	6.2%	6.5%	6.8%	Sweden	5.1%	5.2%	5.1%	5.2%	5.2%
France	5.9%	5.7%	6.2%	6.5%	6.8%	ECU	5.1%	5.2%	5.1%	5.2%	5.2%

Money Market Rates

Instrument	5y 7d	5y 1m	5y 3m	5y 6m	5y 9m	5y 12m
Bank of England	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%
Local Authority	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%
Commercial	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%
Overnight	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%
3 Month	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%
6 Month	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%
9 Month	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%
12 Month	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%

Tourist Rates

Country	£ Buys	£ Buys	£ Buys	£ Buys	£ Buys	£ Buys
Australia	15375	10477	China	80006	0.0350	
Brazil	15900	10970	France	55289	35.584	
Canada	12399	83055	Germany	40905	26.200	
China	5332	34050	Italy	23827	36.740	
France	7157	4527	Japan	5699	56.615	
Germany	25517	16810	UK	57700	0.70	
Greece	37108	23770	South Africa	7071	4.670	
India	55623	35560	Taiwan	42916	27.640	
Kuwait	04681	03000	UAE	5715	3.671	

Liffe Financial Futures

Contract	Settlement	High/Low	Open	Settlement	High/Low	Open
Long Oil	50.00	50.00	50.00	50.00	50.00	50.00
Short Oil	50.00	50.00	50.00	50.00	50.00	50.00
Long Gold	380.00	380.00	380.00	380.00	380.00	380.00
Short Gold	380.00	380.00	380.00	380.00	380.00	380.00
Long Silver	10.00	10.00	10.00	10.00	10.00	10.00
Short Silver	10.00	10.00	10.00	10.00	10.00	10.00

Energy

Contract	Settlement	High/Low	Open	Settlement	High/Low	Open
Long Oil	50.00	50.00	50.00	50.00	50.00	50.00
Short Oil	50.00	50.00	50.00	50.00	50.00	50.00
Long Gas	10.00	10.00	10.00	10.00	10.00	10.00
Short Gas	10.00	10.00	10.00	10.00	10.00	10.00

Commodity Indices

Index	Settlement	High/Low	Open	Settlement	High/Low	Open
Long Oil	50.00	50.00	50.00	50.00	50.00	50.00
Short Oil	50.00	50.00	50.00	50.00	50.00	50.00
Long Gas	10.00	10.00	10.00	10.00	10.00	10.00
Short Gas	10.00	10.00	10.00	10.00	10.00	10.00

Latest Unit Trust Prices

Stock	Sell	Buy	Yld	Stock	Sell	Buy	Yld	Stock	Sell	Buy	Yld	Stock	Sell	Buy	Yld	Stock	Sell	Buy	Yld
AXA Equity & Low Unit Managers	100.00	100.00	100.00	AXA Equity & Low Unit Managers	100.00	100.00	100.00	AXA Equity & Low Unit Managers	100.00	100.00	100.00	AXA Equity & Low Unit Managers	100.00	100.00	100.00	AXA Equity & Low Unit Managers	100.00	100.00	100.00
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market report/shares

DATA BANK

FT-SE 100
3910.8 +17.8

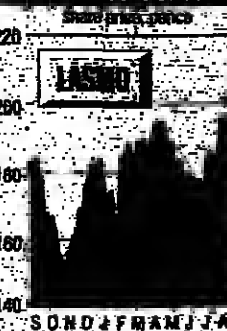
FT-SE 250
4424.5 +21.3

FT-SE 350
1956.1 +9.0

SEAQ VOLUME
606.7m shares
36,150 bargains

Sixp Index
92.83 +0.04

SHARE SPOTLIGHT



Market reluctant to return from its summer holiday

TAKING STOCK

MARKET REPORT

DEREK PAIN

Stock market reporter
of the year

Shares came close to reaching a new high as the stock market took heart from the continuing strength of the autumn results season.

With more than 100 companies reporting this week, the market should have cast aside its summertime lethargy and once again enjoy more lively, swing-along action.

Unfortunately there is a large element of hope deferred. The latest advance was achieved on another round of relatively low trading volumes, suggesting the holiday season influence is inhibiting activity. There are many who believe the FT-SE 100 index will soon hit the important 4,000-point mark. But even the optimists are disturbed by the poor trading interest and ponder whether the market's current strength can be trusted.

Footsie ended with a 17.8-point gain to 3,910.8, just 7.9 from the high hit last month.

The Railtrack express was once more a major factor in the Footsie performance. For the second consecutive trading session the shares powered ahead, gaining 11p to 280.5p, a 21p advance since the opening on Friday.

Stories of US buying added to the excitement. It was rumoured a large US transport group had taken the view that Railtrack, despite its post flotation headway, remained undervalued and was busy putting together a stake.

The suspicion that some form of corporate action could engulf the company has been bubbling for some time. There are also high expectations of property developments, either straightforward sales or joint ventures. And to pile on the appeal there remains a 6.4 per cent dividend yield.

P&O was the best performing blue chip, up 42.5p to 559.5p, on its container merg-

er, followed by Lasso, enjoying Merrill Lynch support. The oil group's shares rose 9p to 214.5p with the US investment house suggesting they should go to 225p.

B&L continued to talk its way round the market, improving 6.5p to 471.5p and BTX with more disposals, put on 3.5p to 265.5p ahead of Thursday's interim results when the dividend is expected to be hacked.

Pilkington, as Mercury Asset Management cut its holding from 19.25 per cent to 18.89 per cent, drifted 4p lower to 201p.

Three of last week's strong performers, Allied Domecq,

Rolls-Royce and Zeneca, gave ground on the inevitable profit taking and Thorn lost 5.5p to 383.5p. The rental group only arrived in Footsie last month as part of the Thorn EMI demerger. Its shares have had a poor reception and are in danger of being booted out of Footsie when the index committee meets this month.

A place has to be found for newly merged Lloyds Vario, up 3p to 238p, and unless it stages an exhilarating run Thorn will be unlikely to escape the humiliation of falling at the first hurdle. Courtaulds, up 4p to 440.5p, and Southern Electric, down 2.5p to 670p, are the other constituents in danger.

Danka Business Systems, buying Kodak's imaging business for \$684m, jumped 8.5p to 560p and British Vita added 24.5p to 235.5p as interim results came in ahead of expectations. The EV performance helped other chemical groups, besides Courtaulds. Among others higher was Imperial Chemical Industries, up 12.5p to 388.5p. A confident statement from housebuilder Wilson Bowden, up 20.5p to 440.5p, encouraged builders and forecasts of higher white goods sales brought comfort to Baxsons, with a 15p gain to 564p.

Yorkshire Water, which appears to have recovered from its disasters of last year, held an investment presentation. The shares shaded to 665p.

BICC, the cables and construction group, fell 4p to 328.5p as Franklin Resources increased its stake to 7 per cent. Go-Ahead, the bus business,

moved ahead 15.5p to 309.5p as it became the likely operator of Thames Trains, the company's first train venture. It also hopes to win the Docklands Light Railway franchise.

Ashurst Technology, an AIM-traded stock, expressed "surprise" that the Morgan Grenfell units trusts under scrutiny were claiming to own 49.9 per cent of its capital. It is seeking clarification. The shares fell 5p to 32.5p.

Alpha Omikron traded at its 10.5p low as GFM International, the US investment house, said it had sold its 5.7 million (7.7 per cent) shareholding. Ex-Lands, the property group, continued to reflect takeover hopes, gaining a further 1.75p to 12.75p.

Blenheim, the exhibition group, recaptured the bid spotlight, gaining 13p to 352p and US buying was responsible for engineer Siebe improving 13p to 951p.

Phytopharm, developing drugs from medicinal plants, bovers at 190.5p, against the 293p touched since it arrived on the stock market in May. A development update is expected in the next two months. The market, however, has grown twitchy awaiting progress of its lead drug, an eczema treatment called Zenaphyte. The company is talking with UK and US authorities and although there is said to be an increasingly enthusiastic response there is little chance of regulatory approval before the spring.

IAF, specialising in financing commercial aircraft and other transport, is an "entrepreneurial situation" for the adventurous, suggests stockbroker Greg Middleton. Last year's profits were disappointing but GM looks for a £1.3m advance to £3.5m. The shares are at 10.75p.

Alcoholic Beverages

Stock	Price	Chg	Vol
Adnoca	10.00	0.00	100
Beck's	10.00	0.00	100
Carlsberg	10.00	0.00	100
Heineken	10.00	0.00	100
Interbrew	10.00	0.00	100
Kaiser	10.00	0.00	100
Miller	10.00	0.00	100
Orkla	10.00	0.00	100
Reckitt	10.00	0.00	100
Tenneco	10.00	0.00	100
Unilever	10.00	0.00	100

Banks, Merchant

Stock	Price	Chg	Vol
Barclays	10.00	0.00	100
Bank of Scotland	10.00	0.00	100
Bank of Ireland	10.00	0.00	100
Bank of London	10.00	0.00	100
Bank of Montreal	10.00	0.00	100
Bank of New York	10.00	0.00	100
Bank of Paris	10.00	0.00	100
Bank of Spain	10.00	0.00	100
Bank of Tokyo	10.00	0.00	100
Bank of West	10.00	0.00	100

Banks, Retail

Stock	Price	Chg	Vol
Bank of America	10.00	0.00	100
Bank of Canada	10.00	0.00	100
Bank of China	10.00	0.00	100
Bank of India	10.00	0.00	100
Bank of Japan	10.00	0.00	100
Bank of Korea	10.00	0.00	100
Bank of Malaysia	10.00	0.00	100
Bank of Mexico	10.00	0.00	100
Bank of New Zealand	10.00	0.00	100
Bank of Norway	10.00	0.00	100

Breweries, Pubs & Rest

Stock	Price	Chg	Vol
Adnoca	10.00	0.00	100
Beck's	10.00	0.00	100
Carlsberg	10.00	0.00	100
Heineken	10.00	0.00	100
Interbrew	10.00	0.00	100
Kaiser	10.00	0.00	100
Miller	10.00	0.00	100
Orkla	10.00	0.00	100
Reckitt	10.00	0.00	100
Tenneco	10.00	0.00	100

Building, Construction

Stock	Price	Chg	Vol
Adnoca	10.00	0.00	100
Beck's	10.00	0.00	100
Carlsberg	10.00	0.00	100
Heineken	10.00	0.00	100
Interbrew	10.00	0.00	100
Kaiser	10.00	0.00	100
Miller	10.00	0.00	100
Orkla	10.00	0.00	100
Reckitt	10.00	0.00	100
Tenneco	10.00	0.00	100

Building Materials

Stock	Price	Chg	Vol
Adnoca	10.00	0.00	100
Beck's	10.00	0.00	100
Carlsberg	10.00	0.00	100
Heineken	10.00	0.00	100
Interbrew	10.00	0.00	100
Kaiser	10.00	0.00	100
Miller	10.00	0.00	100
Orkla	10.00	0.00	100
Reckitt	10.00	0.00	100
Tenneco	10.00	0.00	100

Chemicals

Stock	Price	Chg	Vol
Adnoca	10.00	0.00	100
Beck's	10.00	0.00	100
Carlsberg	10.00	0.00	100
Heineken	10.00	0.00	100
Interbrew	10.00	0.00	100
Kaiser	10.00	0.00	100
Miller	10.00	0.00	100
Orkla	10.00	0.00	100
Reckitt	10.00	0.00	100
Tenneco	10.00	0.00	100

Clothing

Stock	Price	Chg	Vol
Adnoca	10.00	0.00	100
Beck's	10.00	0.00	100
Carlsberg	10.00	0.00	100
Heineken	10.00	0.00	100
Interbrew	10.00	0.00	100
Kaiser	10.00	0.00	100
Miller	10.00	0.00	100
Orkla	10.00	0.00	100
Reckitt	10.00	0.00	100
Tenneco	10.00	0.00	100

Consumer Goods

Stock	Price	Chg	Vol
Adnoca	10.00	0.00	100
Beck's	10.00	0.00	100
Carlsberg	10.00	0.00	100
Heineken	10.00	0.00	100
Interbrew	10.00	0.00	100
Kaiser	10.00	0.00	100
Miller	10.00	0.00	100
Orkla	10.00	0.00	100
Reckitt	10.00	0.00	100
Tenneco	10.00	0.00	100

Electronics

Stock	Price	Chg	Vol
Adnoca	10.00	0.00	100
Beck's	10.00	0.00	100
Carlsberg	10.00	0.00	100
Heineken	10.00	0.00	100
Interbrew	10.00	0.00	100
Kaiser	10.00	0.00	100
Miller	10.00	0.00	100
Orkla	10.00	0.00	100
Reckitt	10.00	0.00	100
Tenneco	10.00	0.00	100

Engineering

Stock	Price	Chg	Vol
Adnoca	10.00	0.00	100
Beck's	10.00	0.00	100
Carlsberg	10.00	0.00	100
Heineken	10.00	0.00	100
Interbrew	10.00	0.00	100
Kaiser	10.00	0.00	100
Miller	10.00	0.00	100
Orkla	10.00	0.00	100
Reckitt	10.00	0.00	100
Tenneco	10.00	0.00	100

Food & Drink

Stock	Price	Chg	Vol
Adnoca	10.00	0.00	100
Beck's	10.00	0.00	100
Carlsberg	10.00	0.00	100
Heineken	10.00	0.00	100
Interbrew	10.00	0.00	100
Kaiser	10.00	0.00	100
Miller	10.00	0.00	100
Orkla	10.00	0.00	100
Reckitt	10.00	0.00	100
Tenneco	10.00	0.00	100

Food Manufacturers

Stock	Price	Chg	Vol
Adnoca	10.00	0.00	100
Beck's	10.00	0.00	100
Carlsberg	10.00	0.00	100
Heineken	10.00	0.00	100
Interbrew	10.00	0.00	100
Kaiser	10.00	0.00	100
Miller	10.00	0.00	100
Orkla	10.00	0.00	100
Reckitt	10.00	0.00	100
Tenneco	10.00	0.00	100

Food Retailers

Stock	Price	Chg	Vol
Adnoca	10.00	0.00	100
Beck's	10.00	0.00	100
Carlsberg	10.00	0.00	100
Heineken	10.00	0.00	100
Interbrew	10.00	0.00	100
Kaiser	10.00	0.00	100
Miller	10.00	0.00	100
Orkla	10.00	0.00	100
Reckitt	10.00	0.00	100
Tenneco	10.00	0.00	100

Food Wholesalers

Stock	Price	Chg	Vol
Adnoca	10.00	0.00	100
Beck's	10.00	0.00	100
Carlsberg	10.00	0.00	100
Heineken	10.00	0.00	100
Interbrew	10.00	0.00	100
Kaiser	10.00	0.00	100
Miller	10.00	0.00	100
Orkla	10.00	0.00	100
Reckitt	10.00	0.00	100
Tenneco	10.00	0.00	100

Food Wholesalers

Stock	Price	Chg	Vol
Adnoca	10.00	0.00	100
Beck's	10.00	0.00	100
Carlsberg	10.00	0.00	100
Heineken	10.00	0.00	100
Interbrew	10.00	0.00	100
Kaiser	10.00	0.00	100
Miller	10.00	0.00	100
Orkla	10.00	0.00	100
Reckitt	10.00	0.00	100
Tenneco	10.00	0.00	100

Food Wholesalers

Stock	Price	Chg	Vol
Adnoca	10.00	0.00	100
Beck's	10.00	0.00	100
Carlsberg	10.00	0.00	100
Heineken	10.00	0.00	100
Interbrew	10.00	0.00	100
Kaiser	10.00	0.00	100
Miller	10.00	0.00	100
Orkla	10.00	0.00	100
Reckitt	10.00	0.00	100
Tenneco	10.00	0.	

sport

QUEST IN EUROPE: One footballer's legal battle may help bring European success to British clubs. Phil Shaw reports

Optimism returns after the dark years

Peter Schmeichel was bracing himself for bad news. Even so, when Alex Ferguson confirmed that he would not be facing Barcelona before 115,000 people in the Nou Camp Stadium, he could not hide his pique. "It's a stupid rule," he said. "Can't you do anything about it?"

The legislation which so annoyed Manchester United's Danish goalkeeper was imposed by Uefa, European football's governing body, and allowed teams to field a maximum of three foreigners in Continental competition. British clubs were particularly aggrieved; all but a few Scottish, Irish and Welsh players were classified as foreign.

Ferguson, who recalled Schmeichel's reaction in his diary *A Year in the Life*, reasoned that he needed the best 10 outfield players available. He brought in Gary Walsh, and although United's 4-0 rout had more to do with tactical ploy than a Pontin's League keeper, their interest in the Champions' League was over for another two years.

Around the same time, Blackburn succumbed to the Swedish part-timers of Trelleborgs. Aston Villa to Turkey's Trabzonspor. Last year, in the space of 48 hours, Leeds and Liverpool followed United out of the Uefa Cup; Blackburn officially became also-rans in the Champions' League; and Everton departed the Cup-Winners' Cup.

Yet when United return to the premier tournament tomorrow against the holders, Juventus, Schmeichel will be in the starting line-up. In fact, all Old Trafford's sundry Dutchmen and Norwegians, Czechs, Celts and Franciscans can play if the manager is so minded. United's corporate empire may have been powerless to overturn one "stupid rule", but a journeyman Belgian footballer did.

As a by-product of Jean-Marc Bosman's successful legal challenge to the transfer system between European Union countries, the three-foreigners rule is no more. That fact, allied to England's "success" in Euro 96 and the influx of big-name players from abroad, has encouraged the belief in some quarters that Premiership clubs are about to reassert their dominance in Europe.

For there was a time when they beat more than their breasts. The Champions' Cup was won seven times in eight seasons prior to the Heysel tragedy of 1985 and the ban on English clubs which followed; the Uefa Cup on nine occasions between 1968 and '84. The suspension was lifted six years ago, since when the trophy cabinet would be bare but for United and Arsenal lifting the less prestigious Cup-Winners' Cup.

Eric Cantona recognises that Bosman has moved the goalposts. "The last time we were in the European Cup we had a great team but we had five foreigners as well as injuries and suspensions," he told United's club magazine. "Now we have no excuses. If we don't win it, it will be because we're not good enough. But I think we are."

Nottingham Forest's Frank Clark, a Champions' Cup winner as a player, was the only British manager whose involvement in Europe extended beyond Christmas last season. Despite Forest's run to the Uefa Cup quarter-finals, a back-to-the-wall affair, he noticed that the domestic game was still the only one in step. "European competition is all about keeping the ball," he said. "The Continentals play a more cagey game based on possession whereas we give it away too easily. Our football goes from end to end. I firmly believe the Premiership is the most exciting league in Europe, though I wouldn't say it's the best. To re-establish our credibility we really need to win the Champions' Cup again."

Clark expects the rule change to enhance United's prospects. "Our game was uniquely affected by it. It wasn't a big problem for me except that I wasn't able to have the keeper on the bench I wanted, but it was a major draw-

SCHMEICHEL
DenmarkGIGGS
WalesCRUYFF
NetherlandsBAROS
Czech Republic

Ferguson's foreigners: United's manager now has an embarrassment of riches as his side prepare to play in Turin tomorrow

back for Alex. What a penalty to have, when you're competing against the best, to have to leave out someone of Schmeichel's quality.

"But I'd have expected United to do better this time anyway. They won the double with a team in transition, and Alex has made some excellent signings since. It's still going to be difficult because we don't have the experience of Europe we had 20 years ago, but it must help not having to juggle about with nationalities."

For Aston Villa's Brian Little, tonight marks his managerial debut in Europe. His qualified optimism for the English representatives is influenced by the Bosman verdict.

"I do feel this country is on the verge of achieving something in Europe again," he said. "Whether it's this season or whether it'll

require more experience, I'm not sure. But the platform is there in the Premiership - we're giving ourselves a real chance.

Villa's close-season recruits were a Serb, Sasa Curcic, and Portugal's Fernando Nelsom. Under the previous regulations, Little would have had to think twice about compounding the complications of team selection in Europe by such signings.

"Of course it [the abolition of the limit] will be a factor. The Liverpool and Leeds sides who did well in Europe in the '70s always had a good mix of personalities from different backgrounds. At Aston Villa we've got people from all sorts of cultures. They add to the flavour of the team. Our lads see things the foreign boys do and think: 'Yeah, I'll try that.'"

However, Little's hopes are based on

more than the freedom to field a polyglot team. In his view, English football has been undergoing a transformation for three years now. Two revisions of the laws have had an impact: outlawing the tackle from behind and discouraging the backpass.

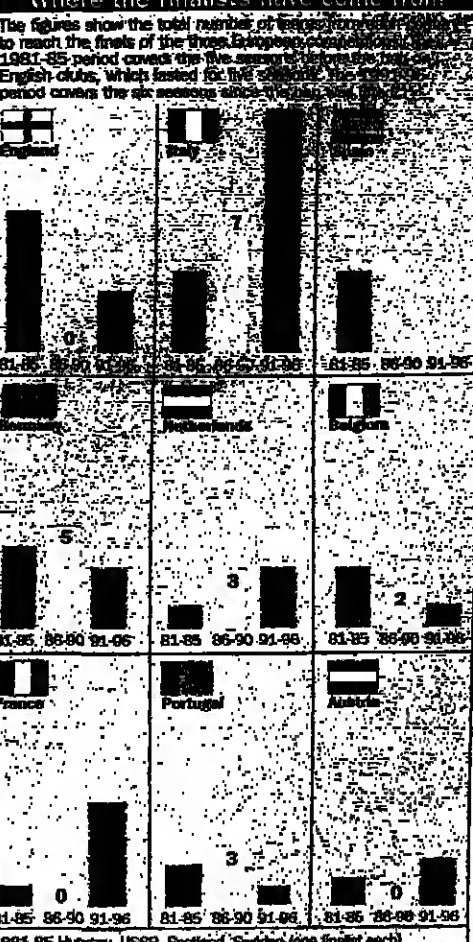
"In the '80s you could be successful with athleticism and strength. Flair was stifled by spoiling tactics. There was a lot of long ball and squeezing up to get offside. Now I think we've come full circle to when I played. It was rough then, though people were passing the ball around. Today we're playing with pace and technique, closer to the rest of Europe."

Like Clark, Little remains cautious about proclaiming the Premiership as the best league. "People say that, but we still haven't got the mentality the Continentals have. The

English and Scottish clubs in the 1990s

Year	Club	Rank	Manager	Top Scorer	Goals
1990-91	Rangers	1	Man U	Wendie Renard	14
1991-92	Arsenal	2	Alan Curbishley	Alan Smith	14
1992-93	Leeds	2	Don Revie	John Aldridge	14
1993-94	Man U	2	Arsenal	Wendie Renard	14
1994-95	Man U	2	Arsenal	Wendie Renard	14
1995-96	Blackburn	2	Sam Allardyce	Wendie Renard	14

Where the finishers have come from



Sampras opens up against Chang

DERRICK WHITE reports from New York

Pete Sampras saved his Grand Slam season by beating his long-time rival Michael Chang in straight sets to defend his United States Open title at Flushing Meadows.

Sampras, who nearly collapsed on court during a fifth-set tie-breaker in the quarter-finals, was at the top of his game to claim a 6-1, 6-4, 7-6 win for his fourth Open crown and eighth Grand Slam championship. The win extended his streak to four successive seasons with at least one Grand Slam title.

Sampras, the top seed, also retained his world No 1 status in fighting off the second-seeded Chang, who would have leapfrogged him in the rankings had he won. "It definitely saved my year," said Sampras, whose match was delayed two hours by rain that hit the stadium months after Steffi Graf had beaten Monica Seles to successfully defend her title in a rematch of last year's women's final.

These were the last finals to be played on Louis Armstrong Stadium Court. Next year, a 23,500-seat stadium will be the centrepiece of a revamped complex. Sampras's powerhouse serve carried him past Chang but his groundstrokes also had their familiar zing, unlike the form he showed in his struggle against the unseeded Spaniard Alex Corretja in the quarters.

"I played some good matches and I played some bad matches. I got through the Corretja match but I never thought I'd be a winner," Sampras said.

Chang and Sampras first played each other 17 years ago as schoolboys in San Diego. Chang dominated their series as juniors, but now that they are professionals Sampras has taken charge. Sampras, 25, had his serve broken only once by Chang as he beat him for the ninth time in their last 10 meetings to extend his lead in their personal series to 11-7.

"I think the best part of Pete's game tonight was his serve," Chang said. "I've played Pete so many times, I've used to it. You just go out there and try to stay positive. It was one of those tough days."

"I played my best of the tournament against Michael," Sampras said. "It was one of my best matches I've played in my career."

Graf blocked out all her distractions and doubts and also played one of her most dominant matches to claim another Grand Slam crown. The German, who had struggled to find her game and maintain her focus during the fortnight, put it all together to beat Seles 7-5, 6-4 and move one step closer to the undisputed title of all-time greatest women's player.

"I felt so nervous before the match and I felt like I had an upset stomach," admitted 27-year-old Graf after successfully defending her title in her 29th appearance in a Grand Slam final. The trial of her father, Peter Graf, began during the tournament and he faces up to 10 years in prison for tax offences.

The Open victory was Graf's fifth and raised her Grand Slam total to 21 - three titles shy of the Australian Margaret Smith Court's total of 24, which includes 11 Australian Open crowns.

Henman hits new heights

Tim Henman, the British No 1 who celebrated his 22nd birthday last Friday, yesterday received his highest world ranking, of 33, after his performance at the US Open.

Henman, who was beaten in the last 16 by Stefan Edberg at Flushing Meadows, has now matched fellow Briton Greg Rusedski's highest ranking. Rusedski reached No 33 in January, but is now No 75.

However, Henman will miss out on a cash windfall after being ranked 20th in the qualifying order for the Compaq Grand Slam Cup, which carries a £1m first prize. Only the top 16 of the Grand Slam season qualify for the Munich tournament from 3-8 December.

Danny Sapsford, the British Davis Cup player, beat the Spaniard Ignacio Trujillo, ranked 35 places above him on the ATP computer, 6-3, 6-4 in the first round of the Bournemouth International Open at the West Hants Club yesterday. Hardly had Sapsford left the court when a phone call informed him that his wife, Yuki, had gone into labour.

Two other British players, Colin Beecher, from Kent, and the 18-year-old Martin Lee, of Worthing, both wild cards, were beaten in the first round.

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Swedish pair lie in wait Saudi prince backs out of Maine Road McInnes makes grade

There was a time when the principal danger in European ties with Swedish clubs was the damage done to British supporters' wallets by the country's astronomical prices. Not any more, as Manchester United and Blackburn Rovers could testify.

The English champions of the last two seasons have been embarrassed by Swedish clubs, both of whom would barely register in a list of European powers. IFK Gothenburg and Trelleborgs made it a black autumn in Lancashire two years ago, so it would be folly for Newcastle United and Aston Villa to be complacent in the first round of the Uefa Cup tonight.

They face Halmstad and Helsingborgs at St James' and Villa Park respectively. And as Villa's Gareth Southgate admitted: "We know nothing about the opposition, and that's the worry. We hadn't even spoken about Helsingborgs until yesterday."

Helsingborgs could have been lying in wait for Manchester United in the Champions' League but for losing their final two games last term. They are second again in the Swedish

Guy Hodgson on the dangers for British clubs in tonight's Uefa Cup

League and they beat Dynamo-93 Minsk of Belarus 4-1 on aggregate in the Uefa Cup preliminary round. They include Roland Nilsson, the former Sheffield Wednesday full-back. Villa, the Coca-Cola Cup winners, will be without Sasa Curcic, who was signed too late for the 15 August European deadline and misses the first two rounds, and probably their goalkeeper Mark Bosnich, who is struggling with foot and knee injuries. What their manager, Brian Little, hopes will be present is a discipline that was lacking on Saturday when Arsenal were allowed to come back from 2-0 down to draw 2-2.

"We have got to learn how to keep the ball better when we are in a position like that. It could be a key factor," he said.

Kevin Keegan would say amen to that. The Newcastle manager watched his players lose possession and their heads

in their last home European tie, allowing a 3-0 lead to dissolve to 3-2 against Athletic Bilbao two years ago. The lesson was rammed home with a 1-0 defeat in Spain that meant they were eliminated on away goals.

That should be an adequate cure for over-confidence but if it is not, the identity of the Halmstad coach would complete the job. Tom Prahl was in charge of Trelleborgs when they ousted Blackburn in 1994.

Arsenal are likely to meet Borussia Monchengladbach without David Seaman, who damaged a hamstring playing for England in Moldova nine days ago. Monchengladbach finally won their first game of the season - 3-1 against Hamburg - at the fourth attempt on Saturday.

Hamburg's defeat will have been warmly greeted at Celtic, who meet them in Glasgow. Barry Town's captain, Ian French, feared that he might miss the biggest game of his career after collapsing in a car park and injuring his head.

However, a brain scan revealed no abnormalities and the 29-year-old central defender will play at Aberdeen.

Saudi prince backs out of Maine Road

Manchester City have missed out on a £75m investment by the Saudi Prince Walid bin Ghaleb, whose advisers yesterday informed the club's chairman, Francis Lee, that they had lost interest in the First Division side, writes Alan Nixon.

Prince Walid, whose money helped Euro-Disney survive, wanted to buy control at Maine Road and spend some of his personal fortune on signings. Lee, however, refused to show the club accounts to Walid's Canadian-based Mission Hill Group. Lee is under growing pressure at Maine Road, with no manager, poor results and other groups talking with rival shareholders.

The Wigan chairman, Dave Whelan, with £130m, has been wooed by City shareholders, but he was reluctant to move because of uncertainty over the club's financial position.

Fergus McCann, the Celtic chairman, told the club's annual meeting that turnover in the last financial year was £16m, with profits of £2.74m.

McInnes makes grade

The last time Rangers came within 90 minutes of the European Cup final, Derek McInnes was on the verge of joining the Rangers of London.

The Morton midfielder was staying in a London hotel in April 1993, sweating on a move to Queen's Park Rangers, when Walter Smith's side met Marseille. A 1-1 draw denied the Scottish champions the chance to face Milan just as Morton's intransigence over a fee cost McInnes his move to English football.

However, the 25-year-old midfielder's fortunes have since taken a turn for the better and he will be among the Rangers (of Glasgow) squad in Switzerland for tomorrow's opening Champions' League match against Grasshoppers Zurich.

McInnes is indeed in Smith's plans for tomorrow's game in a group which includes Ajax and Auxerre. The right-back, Alex Cleland, is the only fitness concern, with treatment required on a shin problem.

Ian Ferguson and Craig Moore are in contention for places among the substitutes, but the rest of the side will be

a big Rangers fan. Morton had agreed a fee with Gerry Francis (then QPR manager) and I thought I was going to join QPR. But within a short period I was back at Cappielow and soon I suffered a serious injury.

"I'd been at Ibrox for other matches in the Champions' League that season and I paid my way in. So when I finally came here, I knew what the atmosphere was like but coming on and scoring against Alania Vladikavkaz at Ibrox in the preliminary round was a huge highlight."

"We were trailing at half-time so to help turn the game round was a big thrill for me. With the competition for places, I definitely know I have to make an impression in every game to keep in the manager's thoughts."

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Ian Ferguson and Craig Moore are in contention for places among the substitutes, but the rest of the side will be

Smith and his Cowboys rush back into contention

American football MATT TENCH

As Emmitt Smith lay motionless on Soldier Field last week, his side already well beaten, all the pre-season questions about the Dallas Cowboys appeared to be answered in the negative. Six days later, it seems that reports of their demise have been slightly exaggerated.

The Boys were well beaten by the Chicago Bears, but responded with a thrashing of their own on Sunday, hammering

the New York Giants, 27-0. "We executed a lot better than last week," Troy Aikman, the Cowboys quarterback, said. Smith, who looked to have sustained a serious injury against the Bears, once again confounded medical science by taking his place in the starting line-up, and promptly rushed for 94 yards and a touchdown.

The San Francisco 49ers also achieved that relative NFL rarity, a shut-out, as they dispatched the St Louis Rams, 34-0. The defensive tackle Bryant Young claimed three of his team's seven

sacks. For the second week running the 49ers had three rushing touchdowns, but have yet to record one through the air.

The NFC West, over which the 49ers exercise traditional dominance, has already been labelled the NFC Worst by the Bay Area papers, a moniker that seems deserved given the starts made by Atlanta, New Orleans and the Rams (one win between them). The exception could be Carolina Panthers. New to the league: a year ago, they required six weeks to record their first NFL victory. This time around success has

arrived rather more quickly, with the defeat of the Saints taking their record to 2-0.

That mark is matched by the Miami Dolphins, now operating under the galvanising influence of Jimmy Johnson. They stuffed Arizona 38-10, with Karim Abdul-Jabbar, the rookie starting in the backfield, claiming a couple of TDs. It is early days, but the AFC East may prove to be the most competitive in the league, with Buffalo and Indianapolis sharing Miami's unbeaten record.

Less likely to be competing for a play-off spot are the New York

Jets. The worst team of 1995, they regrouped lavishly in the close-season. Two bad defeats later it seems that nothing can stop them losing, not even divine intervention. Having been ebbled in Denver a week ago, the Jets game against Indianapolis was held up because of lightning swirling around Giants Stadium.

It was the first time a match had been so delayed, but alas for the Jets it was resumed 32 minutes later, and the visitors won 21-7.

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Swindon show fight

Ice hockey STEVE PINDER

It was another weekend where Super League teams won all their games against Premier League sides, but at least Swindon Ice Lords made a first of it before two narrow defeats.

Against Cardiff Devils, Swindon fell behind twice in the first quarter but they equalised within seconds both times before going down 3-0 in the second to trail 5-2 at half-time. Jarri Virtanen and Petri Murtovara then

pulled back two for a 6-4 scoreline. The last thing they probably needed was a trip to Manchester Storm's rink the next day, but at the end of the first quarter Swindon were only 2-1 down. Despite a hat-trick from Storm's Craig Woodcraft in the second period, they went into the third just 5-3 down. Eventually, though, Storm prevailed 6-4.

Slough Jets had worried Manchester the day before, Storm taking a 5-0 lead before Joe Stefan scored for Slough. Jets singled their way back, though, to close to 6-3.

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One number vital to securing Hill's future

Motor racing
DERICK ALLSOP
reports from Monza

The Championship is an old and so is any decision on Damon Hill's future. Events on the track in the Italian Grand Prix here have rendered activity off the track a pure exercise.

Hill remains in the equation for a driver with a top team next season, but no one is prepared to make a commitment until - and unless - he becomes champion, bringing him the commercial clout of the No 1.

That prospect was seriously

undermined when he spun out of Sunday's race, but Jacques Villeneuve's problems more than compensated for error by the Englishman, who will secure the title in Portugal on Sunday week if his Williams-Renault team-mate fails to beat him by four points.

In the meantime, Hill's representatives, with no doubt, a little help from Formula One's impresario, Bernie Ecclestone, will be pursuing discussions and endeavours to lay foundations with Williams' rivals.

Benetton-Renault still look the best bet, perhaps the more

so after Jean Alesi, the driver under threat, declared himself "happy for Ferrari's win" rather than disappointed at being beaten into second place by Michael Schumacher.

Against that, Mercedes would probably prefer a German in one of their cars rather than another Briton, while Finland's Mika Hakkinen reinforced his claims for a contract to stay alongside David Coulthard with a stirring performance which was rewarded with third place here.

The other major players are Ferrari, of course, or Team Schumacher as they have effectively - and, in fairness, you

have to stress the word effectively - become. The German's second successive win for the Italians, and his third this season, was a further reminder of his sublime talent and vindicates the policy of building the operation around the world champion.

Ferrari, however, pushed Hill aside yesterday by confirming that Eddie Irvine will stay as the No 2 to Schumacher next year.

Ferrari strongly denies it is negotiating with other drivers and can only confirm that Schumacher and Irvine will be Ferrari drivers next year.

Giancarlo Baccini, the team

spokesman, said, "I don't think that Hill would be enthusiastic about teaming with Schumacher." Rumours of the possible sacking of Irvine were sparked by a run of nine withdrawals.

Meanwhile, Jordan-Peugeot wait in the wings, just ahead of Stewart-Ford. They would step centre stage if Hill's championship quest failed.

Whatever their chance of signing Hill or, alternatively, Alesi, Jordan seem the team most likely to give Ralf Schumacher his first drive in Formula One, just as they introduced his brother, Michael, in 1991.

I was lucky to keep my lead intact

Over the Monza weekend I believe I established one thing: I was determined to win and finish off the championship. I qualified on pole and led the race after making my way past Alesi. I was starting to stretch my lead and looking all set to clinch the title there and then when I suddenly spun out leaving me in a tangle that would have challenged the likes of Harry Houdini. I would only be three points ahead in the battle for the championship if my team-mate and championship rival, Jacques Villeneuve, won the race. It was a tremendous relief that I managed to walk away from the race with my championship points still intact after what can only be described as a very lucky escape.



DAMON HILL

Everything I'd achieved at the start went out of the window on the sixth lap when I clobbered the tyres on the exit of a chicane. I made a mistake; there is no getting away from it. I was trying to cut the kerb too close and I touched the tyres, hitting them hard enough to break the front suspension and spin me round.

The moments which followed were obviously extremely harrowing from my point of view. As I walked back to the pits, I could imagine Jacques working his way through the field and making the most of my misfortune to take 10 points off my 13-point lead. But as I reached the exit of the pit lane, I saw Jacques coming out. Since the race was only 11 laps old, I knew it was too early for a routine stop and I began to realise he had a problem. I went back to the Rothmans Williams-Renault motor home to see how the race developed and was even more surprised to see Jacques dropping further back. As the 53-lap race progressed, it became clear that Jacques would not manage to finish in the first six and would therefore fail to score points. It was a strange mixture of amazement and relief that Jacques was not able to capitalise on my mistake.

Although Villeneuve's problems at Monza will give me a better chance in the championship during the final two races, nothing can erase the immense feeling of disappointment that I have for not cashing in on what I feel sure would be a dominant victory.

In the light of the recent announcement that Williams will not be renewing my contract next year, I have had a lot to think about lately. It would have been great to have won on Sunday but that's not really the most important thing to me at the moment. Winning the championship means more than anything else. My sights are now set on testing in Austria this week and then going to Estoril for the Portuguese Grand Prix in a fortnight's time. My objective has to be to finish ahead of Jacques, which will clinch the title for me.

The start of the first lap at Monza was one of the season's most exciting. Jacques started to pull alongside me and I moved across to make sure he didn't push me across to the left. As long as I kept him where he was, he would have to go the

long way round when we reached the chicane. Meanwhile, Alesi had made a startling getaway and he sneaked through and into the lead. As we went through the first Lesmo corner, Alesi ran wide and had to back off. I came through the corner cleanly and out-braked the Benetton into the second Lesmo.

With Alesi myself and Jacques, I knew I was on to a good thing.

Alesi had another stab going into the Ascari chicane. That was touch and go. I saw his front wheel on my left-hand side and I thought that there was a fair chance that the pair of us would finish in the gravel trap. I held my ground on the outside and he managed to keep us both out of trouble. I really put the hammer down to get away from the Benetton. I expected Alesi to hold up Jacques for a lap or two, but didn't realise that the situation was even better than I had thought because Jacques was actually in fourth place.

I have to admit that there is a certain irony in the fact that I should retire from the race because I hit a temporary tyre border which was a measure instigated by myself and other drivers in consultation with the FIA circuit safety director in order to keep the cars from using too much of the kerbing. If we had not put the tyres there, there was every chance that there might be a serious incident with the cars breaking their front wings through contact with the kerbs. Without the tyres in place, there was the additional hazard of cars running over the backs of the kerbs and ripping up lumps of concrete which would then be tossed on to the track. This happened to Jacques on the Friday and resulted in him having a broken front wing, something which is extremely dangerous on a high-speed circuit like Monza.

Although not a perfect solution, it was agreed that we would simply have to make sure that we steered clear of the tyres because, as I was to prove, the penalty for touching them could be severe. Michael Schumacher, the eventual winner, was very lucky not to put himself out after hitting the tyres, but several drivers were not so fortunate.

My sense of disappointment was even greater because the car was handling superbly. It was nearly perfectly balanced and I was really enjoying myself. I would have loved to have driven every lap of the Italian Grand Prix in that car. It left me craving the sensation which comes when I lead the race and win with a car that is running beautifully. It's the best feeling in the world and I missed that as much as anything on Sunday night.

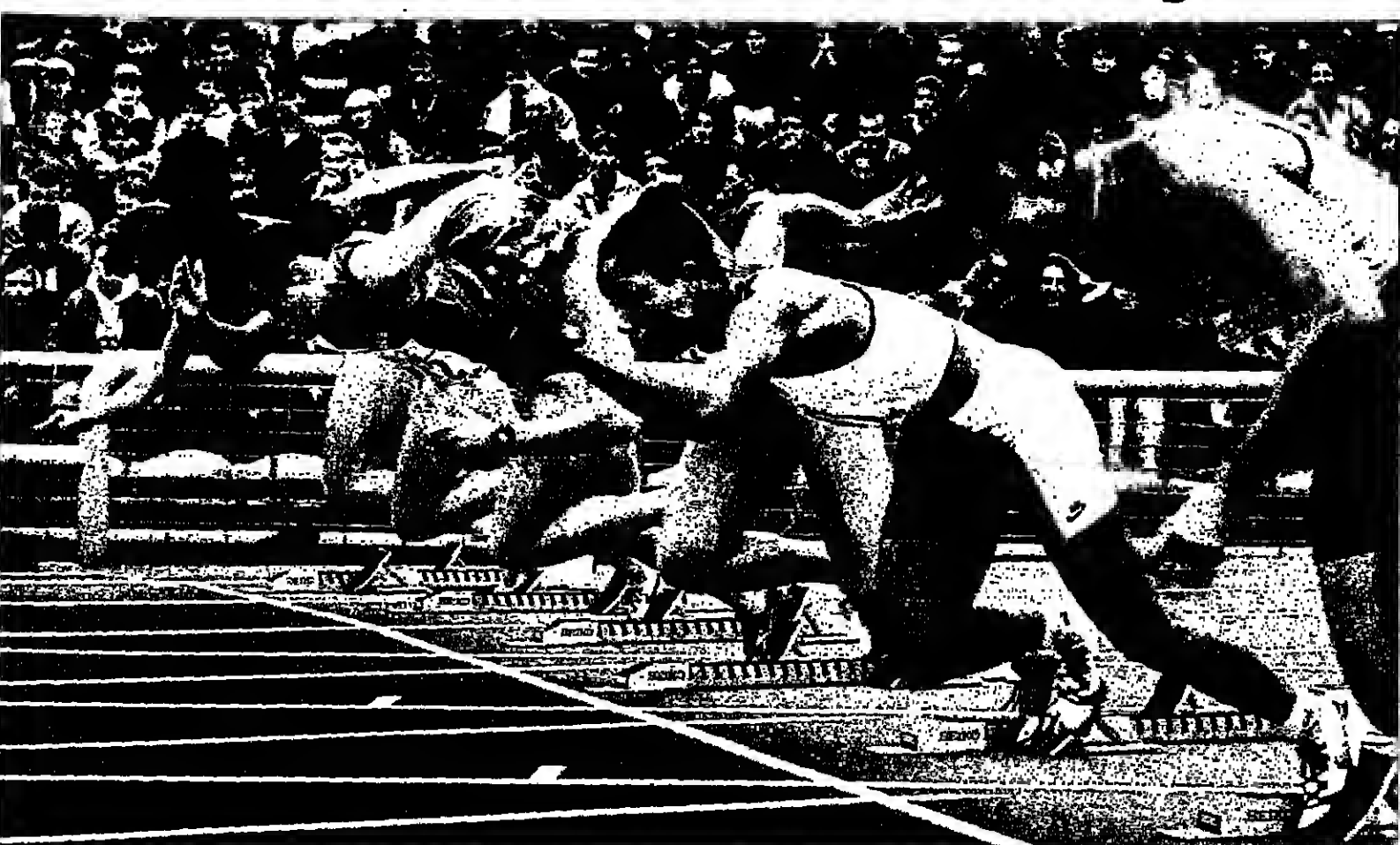
Athletes bring a smile to Sarajevo

Kieran Daley
reports from Bosnia
on sport's return to
a war-ravaged city

Doves of peace released at a sports event have never before been burdened with so much true significance as they were yesterday at the Solidarity meeting in Sarajevo, the first international event in any sport to be staged in the Bosnian capital since the end of the four-year civil war nine months ago.

The meeting represented a gesture from sport for reconciliation, a commodity of which there had been precious little in the former Olympic city. Amid so much devastation, the rebuilt Kosevo stadium represents hope for the future for the 50,000 Sarajevans who filled the arena for the first time since it hosted the opening and closing ceremonies of the 1984 Winter Olympics.

Alongside the athletics track stands the Zetra Arena, where Jayne Torvill and Christopher Dean won gold at those games. The ice dancers would not recognise the twisted, burnt-out remains today. To the other side is the hospital which, at the peak of hand-to-hand fighting in 1993, became so busy that the injured and dying were transferred to the track's changing rooms.



The women's 100 metres gets underway in the Solidarity meeting at the Kosevo stadium yesterday. Photograph: Oleg Popov/Reuters

Yesterday afternoon, in those same rooms, John Maycock was seen to pull on a running vest, rather than a bullet-proof vest, as he prepared for his race. For once in this Olympic year, the taking part was really more important than the winning. "I was a bit worried, but I'm glad I came," Maycock, Britain's leading mile runner, said. "The people who didn't come out here will never know the sort of experience that they have missed."

Sacrifice is often spoken of in a sporting context, but such sacrifice was rendered irrelevant compared to the human suffering visible to all athletes visiting a city which endured a 1,100-day

siege. Maycock, though, in coming here, was possibly making a small sacrifice of his own for, by being in Sarajevo rather than at his desk in Stafford's council offices, he risked losing his job.

Other athletes shared the Briton's sentiments. "Hopefully," said Charles Austin, the Olympic high jump champion and one of only three American athletes to come here, "we will appreciate our privileged way of life much more after being here."

The rude awakenings for the athletes began before they arrived, taking 10 hours because of weather and radar problems at Sarajevo's wrecked airport.

Once at their hotel, the 80 athletes from 30 nations got a salutary warning when they were told not to run on the grass during their stay, for fear of adding to the city's thousands of landmine victims.

Ludmila Engquist, one of five Olympic Gold medalists competing yesterday, was in tears when she arrived at the stadium to see the neighbouring cemetery containing many of the 12,000 fatalities of the war. "Only when you see the city can you really understand what has happened," the Olympic 100 metres hurdles champion said. "I cannot do much, but I can do what little I can to help."

There are still palpable tensions in the city, with elections due on Saturday. Concerns about the incongruity of a multi-million-dollar sports event staged amid so much suffering were dispelled, however, by the warm, welcoming smiles from the Sarajevans.

"The meeting shows that, from the ruins, we can begin the fight for new life," said Dr Haris Silajdzic, the former Bosnian prime minister and foreign minister who has combined election campaigning with work for the local organising committee. As he spoke, a helicopter for the UN peacekeeping force hovered above the stadium.

When the meeting began, every throw, every jump, however modest, received the rapturous applause usually reserved for world records or championship-winning feats. When the teenage Bosnian, Anton Sisul, won the first event on the new track, a junior 1,000 metres, he got as warm a reception as Michael Johnson had enjoyed at the cash-rich IAAF Grand Prix finals in Milan two days earlier.

The absence of the likes of Johnson, some through fear, did cause some longing in Sarajevo. "You can be a great athlete, be tall, strong and have great talent," said an indignant Primo Nebiolo, the head of the international athletics federation, "but some don't have the heart and the courage. That is why the athletes who are here are the best in the world."

There were some quality performances, though, such as the 1,000m victory in 2min 15.99sec by Vincent Malakwen, one of a large Kenyan contingent to support a meeting which certainly inspired hope. When asked whether gold medalists like Johnson were missed, one Bosnian woman just beamed, delighted at the two hours of entertainment she had just witnessed. "Perhaps they will come next year," she said.

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'Breakaway' claim adds further intrigue to council meeting

Rugby League
DAVE HADFIELD

The tension and uncertainty surrounding the meeting of the Rugby League Council tomorrow has been cranked up another notch by claims from Sydney that British First and Second Division clubs have spoken to the Australian Rugby League about a possible breakaway.

Smaller clubs are furious

about suggestions that the meeting at Headingley will vote to give them less money from the News Corporation hand-out in order to give Super League clubs more.

John Quayle, the chief executive of the ARL, which is at war with Super League for control of the game in Australia, said: "England's really a Super League organisation now and they feel they are being left out."

A Sydney newspaper quoted

an unnamed "chief executive of one of England's most traditional clubs," who is alleged to have made the approach to the ARL. "The game is in a disastrous state, and now the Super League clubs have formed their own limited company," he said. "This isn't a breakaway, but what we have may well be the first stage of a breakaway."

Clubs concerned about Super League's domination did meet last month, but those at that

meeting have denied anyone was authorised to approach the ARL.

An ARL bail-out would also involve giving clubs - including a handful from Super League itself claimed to be interested - a better deal than they are currently getting from News Corp. and that would be formidably expensive.

The meeting will also have to decide the shape of its divisions for next season, but the question

of who has said what to the ARL is potentially time-consuming.

The Great Britain coach, Phil Larder, has called up two more replacements for the tour to Papua New Guinea, Fiji and New Zealand. Karl Hammond, the St Helens loose forward or stand-off, and the Keighley winger, Jason Critchley, played in the Premiership finals at Old Trafford on Sunday to underline their claims.

"Jason has played very well

for Wales and Karl has forced his way into the squad from nowhere," said Larder, who is delaying a decision on whether to replace the St Helens pair, Paul Newlove and Chris Joynt, until he receives an update on their condition.

Joynt has had an exploratory operation on his knee, but Saints' coach, Shaun McRae, said Newlove is out for at least six weeks with a hamstring tear and that he will miss the tour.

TODAY'S FIXTURES

Football

7.30: Arsenal v Manchester United (TV)

12.30: Tottenham v Liverpool (TV)

1.30: Chelsea v Manchester City (TV)

2.00: Newcastle v Arsenal (TV)

2.15: Everton v Manchester City (TV)

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Baseball

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1.15: Braves v Mets (TV)

1.30: Angels v Athletics (TV)

1.45: Mariners v Rangers (TV)

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SPORT

Elland Road awaits Graham's arrival

Support role for O'Leary mooted

Football
PHIL SHAW

George Graham, who was banned from football for a year after his involvement in the Rune Hauge "bung" scandal, is expected to become Leeds United's manager within the next 24 hours following the end of Howard Wilkinson's eight-year reign yesterday.

Wilkinson, the sixth managerial casualty in a season barely three weeks old, was sacked for the first time in his career in the aftermath of Leeds' 4-0 home defeat by Manchester United. His departure paves the way for the return of Graham, the 51-year-old former Arsenal manager, who quickly emerged as favourite ahead of Kenny Dalglish, Bruce Rioch, Terry Venables and Gordon Strachan.

David O'Leary, a player under Graham and a Wilkinson signing for Leeds, is likely to link up with the former as his assistant at Elland Road. Speculation that Graham was about to re-emerge was fuelled by his withdrawal from his role as ITV's summariser at Arsenal's UEFA Cup match against Borussia Mönchengladbach tonight.

Graham lost the Arsenal job in February last year amid poor results and boardroom disquiet over his acceptance of an unsolicited gift of £425,000 from Hauge, a Norwegian agent. An FA commission - at which Wilkinson spoke for the Scot as a character witness - subsequently suspended him from football until July this year.

Leeds, who were taken over by the London-based Caspian media and leisure group during the summer, now have the financial clout lacking at Manchester City, whom Graham turned down last week. Wilkinson was given a transfer kitty of £12m, of which around £10m remains after the close-season comings and goings. Richard Thompson, a Caspian director and former owner of Queen's Park Rangers, lives in the same Hampstead apartment block as Graham.

Unrest among supporters, first heard when he sold Eric Cantona to Manchester United in 1992, had been growing since the 3-0 defeat by Aston Villa in the Coca-Cola Cup final last March.

Cantona, ironically, may have sealed Wilkinson's fate by leading Saturday's spree and scoring the final goal. Bill Fotherby, the Leeds chairman, confirmed as much yesterday, saying: "I decided after the match that the

time had arrived to change manager."

Wilkinson, who took the unusual step of attending a press conference to announce his own demise, conceded that bartering may have contributed to it: "A small section of our supporters have focused their disapproval, disappointment and dismay on me, and I think that started to affect the players."

He pronounced himself "sad and shocked" by the decision, but may have sensed it was coming. "The chairman and I had a meeting on Saturday night, and over the weekend the ramifications of it were made known to me."

While insisting that he "car-

ried no bitterness" and urging the fans to back his successor, he implied that he should have been allowed more time. "When I came here I talked about a 10-year plan. Looking around the training ground and seeing the young players we've got, I could see that coming to fruition."

"We are now an established Premiership force with a terrific stadium plus facilities that are second to none, and in 12 months to two years people will see the benefits of the youth policy we established."

"Up until Leslie Silver (the former chairman) resigned we were sticking to that plan. But the last board had one agenda and this board's agenda is slightly different."

Paul Hart, Leeds' director of youth coaching, has been named as caretaker manager. Ian Rush, the team captain, is understood to have a clause in his contract allowing him to leave in the event of a change of manager. Meanwhile, Gunner Halle, Oldham's Norwegian defender, found his £250,000 move across the Pennines cancelled yesterday.

As for Wilkinson, he intends to take a break from football, possibly until after his 53rd birthday in November. He is under no financial pressure to jump back in, having reportedly left Leeds with a pay-off of over £1m under the terms of the three-year contract he signed in March.

Photograph: Paul Barker/PA

Leeds under Wilkinson
(October 1988 to September 1996)

1988/89: 10th in Second Division; FA Cup: 4th round; League Cup: 3rd round
1989/90: Second Division Champions; FA Cup: 3rd round; League Cup: 2nd round
1990/91: 4th in First Division; FA Cup: 4th round; League Cup: Semi-final
1991/92: First Division Champions; FA Cup: 5th round; League Cup: 5th round
1992/93: 17th in Premier League; FA Cup: 4th round; League Cup: 2nd round
1993/94: 5th in Premier League; FA Cup: 4th round; League Cup: 2nd round
1994/95: 5th in Premier League; FA Cup: 5th round; League Cup: 2nd round
1995/96: 13th in Premier League; FA Cup: 5th round; League Cup: runners-up; UEFA Cup: 2nd round
1996/97: 5th in Premier League on 9 Sept. PS W2 12 12 P57

Wilkinson victim of his own success

"There are just two types of manager," Howard Wilkinson once decreed. "Those who have been sacked already and those who will be sacked in the future." Until the new owners of Leeds United decided enough was enough, Wilkinson himself appeared immune to the inevitable.

At the start of the year, as he approached a quarter of a century in a profession he entered at 28 as player-manager of Boston United, Wilkinson had never taken a team to Wembley, never been dismissed and never been relegated. Leeds' Coca-Cola Cup final flop in March was, ironically, the beginning of the end which came yesterday. The Elland Road club were clearly not prepared to risk letting him complete an unhappy hat-trick.

Ultimately, Wilkinson became the victim of his own success, or more accurately of the expectations he raised. Last that statement sounds bizarre, given Leeds' failure to build on the championship triumph of 1992, it is instructive to examine the state of the club when he succeeded Billy Bremner eight years ago.

Fourteen years had elapsed since Doo Revie left Leeds as champions. Wilkinson, having been persuaded to drop a division from Sheffield Wednesday, became the eighth manager to take on his mantle. Like Revie, he found them floundering in the old Second Division after a decade of decline. They stood 21st, below Plymouth, Hull, Walsall and Bournemouth, and the previous home crowd was 15,600.

Unlike most of his predecessors, who included several ex-Leeds players, Wilkinson was out in awe of Revie. To stop the club living in the past, he had pictures from that era to be removed from the foyer. Any resentment was soon forgotten as Leeds went up as champions at the end of his first full season in 1990.

His early transfer dealings showed masterly judgement. Gordon Strachan became Leeds' linchpin; Mel Sterland and Lee Chapman followed. And when Vinny Jones - a model of propriety under Wilkinson - had done his bit by helping to achieve promotion, he replaced him with Gary McAllister.

Support had more than doubled, and the chant of "Sgt Wilko's Army" suggested a strong affinity with the manager. In their first season back among the elite, Leeds finished a highly creditable fourth.

A year later, after an intense struggle with Manchester United, they became the last pre-Premiership champions.

That was when things started to go wrong. Wilkinson had talked about having a 10-year plan for Leeds; although there

Phil Shaw looks back on the reign of a man whose crowning glory of 1992 proved an impossible act to follow

is never a bad time to win the title, they were way ahead of schedule. The team was an ageing one, built to get them up rather than into the European Cup. Constructing a new squad would have been as financially prohibitive as it would have been unfair on Strachan and company.

That autumn, soon after his chairman, Leslie Silver, expressed the wish that Wilkinson would "carry us forward to the next century", Leeds hit their first sticky patch under his management. Rangers humbled

the Coca-Cola final against Aston Villa offered a chance of redemption, only for Leeds to be outclassed. For the first time their followers turned on Wilkinson, but despite the ensuing six consecutive defeats and 13th place he continued to look unsackable. He had, after all, signed a three-year contract three days before Wembley.

Behind the scenes, however, his power base was being eroded. During the summer, Silver and his fellow directors sold out to the London-based Caspian group. The good news for Wilkinson was that the media and leisure company had no immediate plans to install their own man. The bad news was that one of the old board, Peter Gilman, objected to the sale and took out an injunction to prevent it.

The deal went ahead, but while waiting for the court to allow him to use Caspian's funds, Wilkinson saw several of his targets join other clubs. Equally damagingly, his captain, McAllister, decided he would not wait around until the matter was resolved, joining Coventry. Yeboah, meanwhile, would be out injured until Christmas.

In his last major interview as Leeds manager, with *The Independent*, Wilkinson described it as "a summer of discontent". Nevertheless, the autumn began to look more promising as they won successive matches to go sixth in the table. Theo came Manchester United, with Cantona at his imperious best, bringing them to earth with Saturday's 4-0 rout at Elland Road.

Suddenly, all the talk about a flourishing youth policy, about their refurbished stadium and new training centre, pale into insignificance. He recognised that the bottom line was winning games, and Leeds have won only five out of 23 in the League this year. Howard Wilkinson was the right man for Leeds United in 1988, but the football world moves on.

creasingly suspect dealings. His cut-price buys, like Beeney, Worthington, Beesley and Pemberton, did not have the requisite quality. When he threw money at the market, paying £2.9m for Brian Deane and a club-record £4.5m for Tomas Brodin, it tended to rebound in his face.

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Deal leaves England counting the cash

Rugby Union
DAVID LLEWELLYN

The Five Nations has been sold, subject to valuation. Details of the so-called climb down by the Rugby Football Union to ensure England's continued participation in the 87-year-old Five Nations' Championships were made public in Dublin yesterday.

A lot emerged, but a great deal is still unknown. That England will have to part with some of the £87.5m they are to receive over the next five years from BSkyB has always been accepted by Twickenham. But precisely how much is not known. To that end the Five Nations committee has decided to approach independent arbitrators who are experts in the broadcast media.

These specialists will decide what the 10 Five Nations matches are worth to television. The resulting sum will be divided up as follows: 90 per cent of the income will be shared equally among the five countries; 2.5 per cent will go to the tournament winners - the first time prize money has been offered; the runners-up will receive 1.5 per cent and one per cent will go to the third placed nation. A further five per cent will be apportioned

according to the number of clubs affiliated to each union - England having 2,000 compared with Scotland's 200.

The other unknown, until possibly early next year, is just what will be on satellite television and what on the more accessible terrestrial channels.

Twickenham has the right to sell the television rights to the Five Nations under the five-year contract with Sky runs out, otherwise the whole shooting match appears to be an England victory.

Firstly, Twickenham gets to keep all its satellite cash; that means they can honour their agreement with the clubs and the other unions have accepted the principle of live satellite TV coverage of Five Nations matches, an idea pioneered by England and what originally aroused the indignation of the Celtic fringe in particular. England have also overruled the old order of there being a fair share-out of the TV spoils for the Five Nations' Championship.

Vernon Pugh, who has been particularly outspoken against the principle of satellite TV coverage throughout the raucous summer yesterday found himself saying: "We have taken sensible

commercial decisions. We have a duty to the public. Most, if not everybody, will be satisfied. There will be a fair proportion of matches on terrestrial TV - at least 50 per cent."

Cliff Brittle, chairman of the RFU executive committee, who brokered the deal that saved England after they had been slung out of the Five Nations in July, acknowledged that the internal dispute between Twickenham and the clubs which threatens to tear the game apart now has to be resolved.

"By using intelligence and common sense we have brought peace to the Five Nations. Now let the same criteria bring peace between our unions and our clubs. To the club owners I say that before you insist on early returns from your investments, stop and think, and in some cases learn, what you've become part of. I intend to play a central role to bring about a conclusion. Never before have we needed to establish genuine leadership within the game."

Wales will play South Africa in a one-off international at Cardiff Arms Park on 15 December. The touring Springboks are also playing Tests in Argentina on 9 and 16 November and against France on 30 November and 7 December.

THE INDEPENDENT CROSSWORD



- ACROSS**
- Live in good health boosted by new English state aid (7)
 - Mark, going round America, needs keep (7)
 - Person has to drink company's wine (5)
 - Cite coise of horse which enthals one returning mount? (9)
 - One keeps up with us backing exhausting person? (9)
 - Praise one-time wife, with Lot, looking back (5)
 - Demise of idea thus (5)
 - Big hat account leads to debts (9)
 - Man's yoo to have quick movement which could produce magic (3,6)
 - Fierce competition about fellow's English ice-cream (5)
 - From way back it's a master instrument (5)

- DOWN**
- Conservative, infiltrating. Infected one on left with doubt (9)
 - Serenade girl, which makes things very clear (9)
 - Vehicle with power to move heavily (5)
 - Where you'll find teeth decline from chewing of this? (7)
 - Old magistrate has 51 arrested to reduce tension (7)
 - Plot about source of inspiration makes one puzzled (7)
 - Not building English tax to be essential (9)
 - Civil Engineer supports marshy land having a barrier (5)
 - Keeps at CD changes? These might become redundant (4,5)
 - Very good Roman god of the sun (5)
 - In case crowd is wild this must be protected at all costs (6,3)
 - Allow a German currency to be given to Italian (5)
 - Perhaps negative puzzle? (7)
 - Bring her a surprise? One could (9)
 - Academic in favour of heraldic device having added gold (9)
 - Was consumer supporting bad multinational's conduct? (9)
 - Title of leader's popular, having gravity (7)
 - Right to pass and go back to poor state (7)
 - Cut short by island's pre-sumption? (5)
 - Saint's heavenly instrument is off-key (5)
 - Drink's a pound in amount (5)

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